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STATE OF NEW JERSEY
OFFICE OF THE GOVERNOR
TRENTON
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THOMAS H. KEAN
GOVERNOR

May 24, 1984

I am pleased to present to all our citizens this second edition of the New Jersey Profile.

This Profile provides in a single source an informative and detailed summary of data describing New Jersey's place in the United States. Our State's various features are discussed in a clear and understandable way accompanied by extensive supporting data and figures. The discussion concentrates on the contributions, diversity and strengths of the State's economy. It depicts a New Jersey that is dramatically changed from what it was just a decade ago.

I believe that this Profile will be invaluable to anyone interested in learning about the Garden State. I thank the Economic Policy Council and Office of Economic Policy for preparing this useful and informative publication.

Thomas H. Kean
Governor

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Finally, we would like to express thanks to the many State employees who answered our inquiries about data handled by their departments; space prevents us from giving individual acknowledgments.

PREFACE
NEW JERSEY PROFILE

This is the Second edition of the *New Jersey Profile*. Like its predecessor, it attempts to provide a comprehensive and detailed analysis of the basic facts and recent trends in New Jersey's economy. All the data and sources in this *Profile* have been carefully updated, and completely new narratives have been written for each chapter. Where relevant, each chapter also provides a comparison between the economic changes that have occurred in New Jersey and those in our neighboring states and the nation as a whole.

Although all the material is new and current, the purpose of the *Profile* remains unchanged—namely, to provide in a single source, complete and accessible information on the State's economy to all concerned New Jerseyans. This is in keeping with the Public Law charge to the Economic Policy Council and Office and our strong belief in the importance of active and informed citizen participation in public affairs.

Data sources are identified so that interested readers can pursue any topic in more detail. We believe this *Profile* will continue to serve as a useful and convenient reference on all aspects of New Jersey's economy.

Joseph J. Seneca
Chairman
Economic Policy Council

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Introduction

New Jersey's economy has undergone a profound metamorphosis during the past ten years or so. As a result, the State appears to be emerging in a new position of leadership among states. While this is a happy state of affairs, it is not cause for complacency. Maintaining a vital growing economy requires constant attention.

Like any state, New Jersey has many unresolved problems. Their solutions can best be reached through the conscious efforts of an informed populace. The Economic Policy Council realizes that such broad involvement can become a reality only if there is widespread knowledge about the State's economic and social features. To contribute to this educational process, the Economic Policy Council and the Office of Economic Policy present this second edition of the *New Jersey Profile.*

Using a combination of plain language and graphs, the book attempts to profile the State in a way that is both interesting and informative to a wide range of people, yet easily understandable to those neither familiar with New Jersey nor interested in highly technical literature. *New Jersey Profile* is not meant to be an exhaustive description of any one topic; rather it examines some of the basic economic and demographic dimensions of the State to give an overall picture of New Jersey—where it stands, how it has changed in recent years, and how it compares with the nation. Chapters are extensively referenced to allow readers to pursue topics they find of particular interest.

New Jersey Profile begins with an overview giving a panoramic view of this diverse State, touching topics ranging from personal income to research and development to natural resources. This gives the reader a chance to become familiar with New Jersey as a whole. The chapters deal with such topics as population, employment, income, natural resources, manufacturing and construction, transportation, communication and public utilities, finance, insurance and real estate, education and culture, and government.

New Jersey Profile stresses descriptions of statewide trends. Nevertheless, it sometimes explores county data to demonstrate intrastate variation. Any reader interested in additional detail at the county level should obtain the individual economic profiles published by the Division of Planning and Research, New Jersey Department of Labor.

The Economic Policy Council is confident that New Jerseyans, as well as out-of-state readers, will find the *New Jersey Profile* an interesting commentary on our State. We hope that knowing more about New Jersey will help motivate residents to take pride in the State's positive points and to take a more active role in solving its problems.

I. OVERVIEW

New Jersey has many faces. Visitors sometimes see only the industrial corridor between New York and Philadelphia (a vital growing area to be sure), but the State has many other valuable features.

One of the original 13 states, New Jersey has many historical sites. Perhaps the most famous is the site of George Washington's Delaware River Crossing in Mercer County. But many other almost equally famous sites may be found in the State which is the locale of numerous charming cities and towns, many dating back to the Revolution.

The State's varied terrain is often mountainous; an enormous pine barrens rivals any of the nation's wilderness spots; forty percent of the State is forest-covered; and some parts are swampy and teeming with wildlife. Scenic areas span the State in all twenty-one counties.

The New Jersey shore has some of the best beaches in the country, many abounding with boardwalks and amusements and others set aside as wilderness.

The State's central location in the northeastern corridor, its extensive port and rail facilities and its proximity to two of the nation's four largest cities make New Jersey a prime location for national and international corporations.

All of these features make up a part of the State's total resources. In this *Profile* we describe many of the State's numerous attributes. Mostly we concentrate on its economy, its people and its industry. But along the way we touch on other assets: its natural and man-made features which make the State a very pleasant place for living, working or visiting.

POPULATION

The 7.4 million population and the small size of New Jersey make it the most densely populated state in the nation. The population grew at a rapid 1.7 percent per annum rate during the 1960's exceeding the all-state average of 1.2 percent. A reversal occurred in the 1970's as the annual population growth fell to 0.3 percent compared to a 1.08 percent United States rate.

Cities in the State generally declined in population as the residents of suburban and exurban areas increased. A high percentage (89%) of the State's people continue to reside in areas classified by the Census Bureau as 'urban'.

EMPLOYMENT

Nonagricultural employment in New Jersey has for some time grown more rapidly than that of other states in the region. Over the past several decades an important transformation has taken place in the makeup of sectoral employment shares in the State. Nearly half of the State's workers were employed by the goods-producing (mainly manufacturing) sector in 1950, against 37 percent in service-producing activities. By 1983 the goods-producing sector had fallen to 26.3 percent of all employment, a share closely approximating the national figure. Offsetting the drop was a corresponding rise to over 56 percent in private service-sector employment.

For about a decade, unemployment rates in New Jersey had been higher than those in the nation as a whole. During several years in the most recent past, the State's overall unemployment rate has been less than the United States' rate. As is the case nationwide, minority and teenagers in the State have been faced with extremely high unemployment rates.

INCOME

Per capita personal income totalled $13,825 in New Jersey in 1983 compared to a U.S. figure of $11,702. The average yearly increase from 1970 to 1983 was 8.6 percent, but most of the increase was due to price inflation. Real per capita personal income grew at 1.4 percent per annum from 1970 to 1982, still significantly greater than the 1.0 percent per year United States increase, and greater than the growth rates of neighboring states.

Median family income in the State was $22,830 in 1979 ranking fifth highest among the 50 states. In the same year, United States median family income was $19,908 and the New York and Pennsylvania figures were $20,385 and $20,259, respectively.

Mean black family incomes were only 65 percent of the overall average family income in 1979. Hispanic mean family income was slightly lower at 64 percent. The proportion of New Jersey families below the poverty level decreased from 1959 to 1979 from 11.4 percent to 7.6 percent. However, the 1979 figures represent an increase from the 6.1 percent level in 1969.

AGRICULTURE AND NATURAL RESOURCES

New Jersey has 9,500 farms covering over one million acres of land; over 179,000 acres of the total is woodland. The State has several crops which rank high among states. Included are blueberries, spinach, summer potatoes, cranberries and tomatoes. Crop receipts in 1981 totalled $353 million.

Livestock and livestock products added $126 million in 1981. The commercial fishing industry had a total catch of 201 million pounds valued at $50 million in 1980.

Forests extend over 40 percent of the State's total land area. Part is in commercial timberland which produced 2,127 million board feet of saw timber in 1977. About $149 million in minerals was extracted in the State in 1980. The major extractions were crushed stone, zinc, sand and gravel.

CONSTRUCTION AND MANUFACTURING

In 1980, construction and manufacturing employed over 900,000 workers and produced goods valued at over $70 billion.

There are some 32,000 construction establishments employing 115,000 persons in the State. From 1970 to 1980 the State's housing stock increased 16.1 percent from 2.4 million to nearly 2.8 million units. Ocean County had the largest percentage gain in housing (57.3%); while Essex has the lowest gain of only 1.8 percent.

New Jersey's manufacturing sector employed 814,000 persons in 1980. The State's largest industry was Chemicals and Allied Products which was much more strongly represented in New Jersey than in the nation as a whole. Other industries in which New Jersey specializes are Rubber and Plastic, Instruments & Related Products and Petroleum & Coal Products.

In 1980 New Jersey exported $4.4 billion worth of manufactured products. Major exporters in the State were the Chemicals, Machinery and Primary Metal Industries.

TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES

New Jersey has a well-developed transportation system—highways, railroads, airports and seaports.

New Jersey's highways are much more heavily travelled than in the United States. Average daily travel per mile was 4,073 in New Jersey in 1980 compared to a United States figure of only 1,053.

Public transportation is also heavily utilized in the State. Weekday passenger trips on public facilities were nearly twice the number of the 1982 national average. Railroad track mileage per square mile surpasses that of the nation. Rail usage has declined since 1965, but measures are now being taken to regain the losses.

The State's telecommunications industry is especially noteworthy. For many years New Jersey has led the United States in advances in the communication field. Today, the State's telecommunications firms remain in the forefront as the industry

moves into exciting new technology entailing fiber optics and computer and satellite communication approaches.

New Jersey's energy output stems mostly from heavy fuel and coal with a significant share of nuclear production. Electric customers are increasing faster than gas customers in the State. From 1972 to 1982 the average annual increase of electric customers was 1.29 percent vs. 0.46 percent for gas.

TRADE AND SERVICES

Nearly 700,000 persons were employed in wholesale and retail trade in 1982. During the 1960's trade sector employment increased by 43 percent and from 1970 to 1982 another 30 percent was added.

Retail sales in 1981 totalled $35.4 billion ($4,777 per capita) in the State. Wholesale trade has grown faster in New Jersey than in New England and the neighboring states. Almost 200,000 persons were employed in wholesale trade in 1981 and receipts in the sector totalled $53.8 billion.

Services have grown faster in New Jersey than in the nation. The State has increased its national share of service employment from 3.42 percent in 1960 to 3.48 percent in 1980.

FINANCE, INSURANCE AND REAL ESTATE

The finance, insurance and real estate industries employed 166,700 persons in 1982, an increase of nearly three percent per annum from 1960.

Commercial banks in New Jersey held 1.76 percent of the nation's total commercial-bank assets in 1982. Deposits in commercial banks totalled $35 billion in that year; total assets reached $42 billion. Total assets in all financial institutions were $75 billion in 1982.

Sixty insurance companies were based in New Jersey in 1981; nearly one thousand companies sold policies in the State in 1982. Almost half were fire and casualty companies and one-third were life insurance companies.

EDUCATION AND CULTURE

High school graduates made up 67.8 percent of the population 25 years and over, a rate higher than the United States' 66.3 percent. In the same population group, 18.6 percent had completed four years or more of college compared to the nation's 16.3 percent. While the State's educational attainment levels were approximately the same as in neighboring states, they were below the New England rates.

New Jersey had a larger percentage (15.8) in private schools than did the United States (10.9). Pupil/teacher ratios in public elementary schools fell in the State from 21.7 in 1970 to 16.3 in 1980. vs. the United States figures of 22.8 and 18.8, respectively.

Full-time private college enrollments in New Jersey dropped an average .8 percent per year between 1970 and 1982. During the same period, public college enrollment increased 4.2 percent annually. A total of 34,538 college degrees were awarded in 1979 including 10,107 advanced degrees.

New Jersey has numerous cultural attractions. One need not travel to Philadelphia or New York to enjoy art, music, theater, dance and the combined arts.

GOVERNMENT

State and local government employment grew from 170 thousand to 370 thousand from 1960 to 1980. Per 1,000 population, this is slightly higher than the all-state average due mainly to higher employment by local government. State and local governments spent less per capita than the United States' average on highways and on health and hospitals; approximately the same on education, public welfare and financial administration; but more for police and fire and other functions.

Per capita, taxes were higher in New Jersey than the all-state average, but as a percentage of personal income, New Jersey taxes were about equal to the national average.

New Jerseyans paid more federal taxes per capita than the national average. Moreover, with higher than average incomes, residents of the State paid a higher rate of tax as a percentage of personal income.

II. POPULATION TRENDS AND CHARACTERISTICS

1. POPULATION DENSITY

New Jersey is the most densely populated of all the 50 states, with a population per square mile approaching 1,000. Over 7.4 million people reside within the Garden State's nearly 7,500 square miles of land. New Jersey's population density has historically exceeded figures for both the United States and the two other Mid-Atlantic states (Table 2.1). With the 1970 Census, New Jersey passed Rhode Island to become the nation's most densely populated state.

Although population density (the population per square mile) for New Jersey is quite high, substantial differences appear within the State—among individual counties. Figure 2.1 shows that the northern counties of Hunterdon, Sussex and Warren, and the southern counties of Salem and Cumberland all have population densities of fewer than 300 residents per square mile, while Essex County has a density well above 6,000 and Hudson County above 11,000.

TABLE 2.1
DENSITY OF POPULATION BY REGION AND STATE
1960, 1970 and 1980

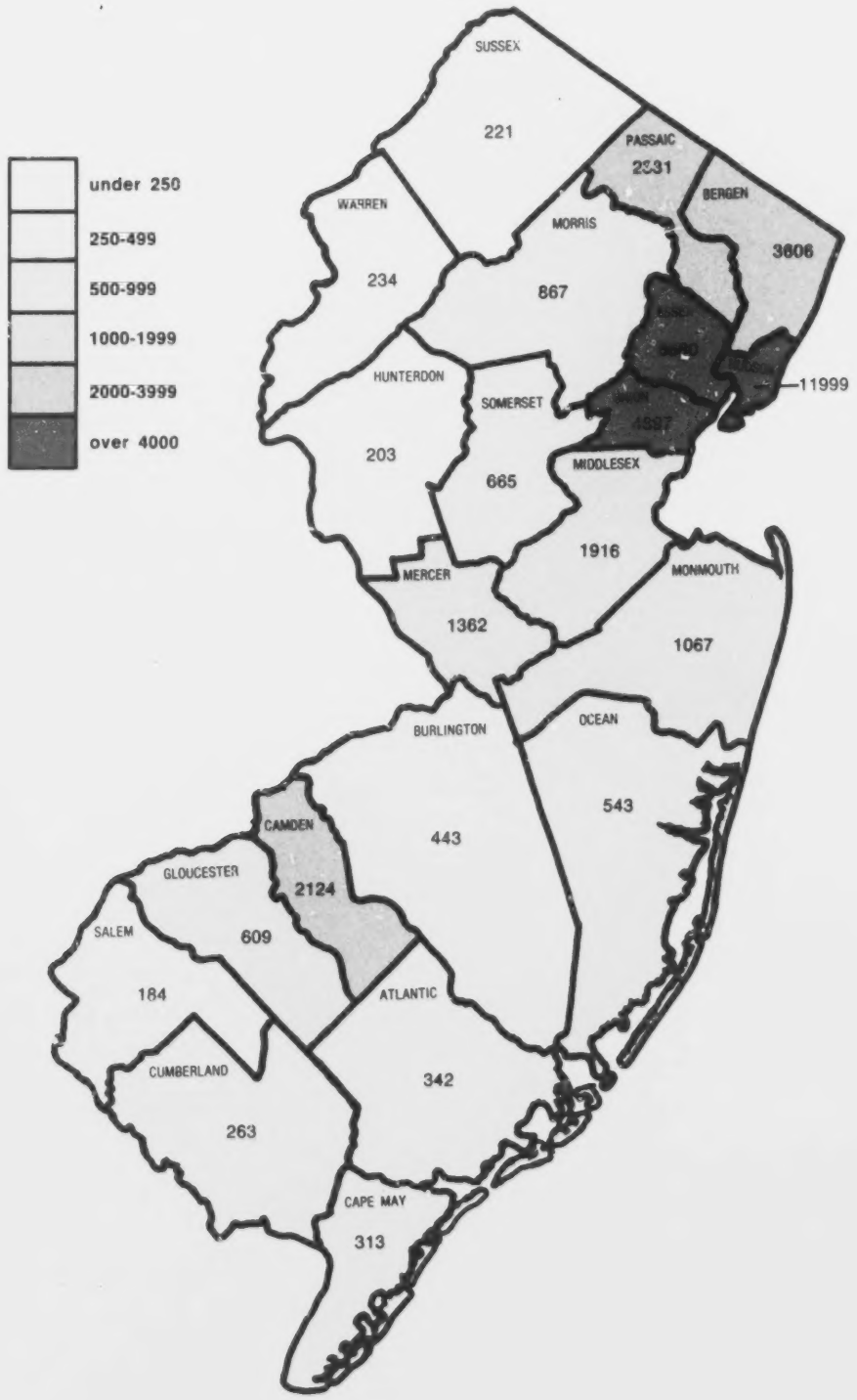
	1960	1970	1980
United States	50.6	57.4	63.9
New England	166.8	188.1	196.0
New York	350.6	381.3	370.6
New Jersey	805.5	953.1	986.2
Pennsylvania	251.4	262.3	264.3
South Atlantic	97.1	114.9	138.4

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years).

2. POPULATION GROWTH

The growth of New Jersey's population has declined considerably since the State's population "boom" of the 1960's (Table 2.2). While population grew at an average annual rate of approximately 1.7 percent between 1960 and 1970, population growth between 1970 and 1980 fell to an average rate of 0.27 percent (Table 2.3). New Jersey's population growth during the 1960's averaged nearly 0.5 percentage point above the national rate of 1.23, while in the 1970's it averaged nearly 0.8 percentage

FIGURE 2.1
POPULATION DENSITY BY COUNTIES, 1980



SOURCE: New Jersey Department of Community Affairs, Division of Local Government Services, *Forty-Fifth Annual Report, 1982.*

TABLE 2.2
NEW JERSEY RESIDENT POPULATION
1960-1982

Year	Resident Population	Annual Percent Change
1960*	6,066,800	1.8
1961	6,222,200	2.6
1962	6,370,700	2.4
1963	6,503,200	2.0
1964	6,614,600	1.7
1965	6,720,300	1.6
1966	6,821,100	1.5
1967	6,917,500	1.4
1968	7,012,800	1.4
1969	7,103,300	1.3
1970*	7,171,112	0.9
1971	7,282,000	1.5
1972	7,337,000	0.7
1973	7,335,000	-.03
1974	7,335,000	0.0
1975	7,341,000	.08
1976	7,344,000	.04
1977	7,342,000	-.03
1978	7,356,000	0.2
1979	7,373,000	0.2
1980*	7,365,011	-.11
1981	7,421,000	.7
1982	7,438,000	.2

*Census population figures as of April 1, all others as of July 1.

SOURCE: New Jersey Department of Labor, Division of Planning and Research.

TABLE 2.3
TOTAL POPULATION AND AVERAGE ANNUAL RATE OF GROWTH BY REGION
1960, 1970 and 1980
(in thousands)

	1960	1970	1980	Average Annual Rate of Change (%) 1960-70	1970-80
United States	179,823	203,302	226,546	1.23	1.08
New England	10,509	11,848	12,348	1.21	.41
New York	16,782	18,241	17,558	.83	-.38
New Jersey	6,067	7,171	7,365	1.69	.27
Pennsylvania	11,319	11,801	11,864	.42	.05
South Atlantic	25,972	30,678	36,959	1.67	1.88

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years).

point below the national average annual rate of 1.08 percent. Overall, between 1970 and 1980 the State recorded only a 2.7 percent increase in its population.

3. INTRASTATE GROWTH DIFFERENCES

While total population for New Jersey increased less than three percent between 1970 and 1980, individual counties recorded changes which varied greatly from the State average (Table 2.4). The largest increase in population appeared in Ocean County where population grew 66 percent between census years, averaging 5.2 percent annually, followed by Sussex, Cape May and Hunterdon. On the other hand, Bergen, Essex, Hudson, Passaic and Union counties all experienced losses in population; the largest loss over the decade was 8.7 percent in Essex County.

TABLE 2.4
RESIDENT POPULATION FOR NEW JERSEY COUNTIES
1970, 1980 and 1985 Projection

County	April 1 1970	April 1 1980	Percent Change	1985 Projection EDM*
Atlantic	175,043	194,119	10.89	226,800
Bergen	897,148	845,385	-5.77	881,800
Burlington	323,132	362,542	12.19	372,900
Camden	456,291	471,650	3.37	482,600
Cape May	59,554	82,266	38.14	85,500
Cumberland	121,374	132,866	9.47	135,100
Essex	932,526	851,304	-8.71	791,000
Gloucester	172,681	199,917	15.77	206,300
Hudson	607,839	556,972	-8.37	538,700
Hunterdon	69,718	87,361	25.31	92,400
Mercer	304,116	307,863	1.23	323,100
Middlesex	583,813	595,893	2.07	641,100
Monmouth	461,849	503,173	8.9	515,700
Morris	383,454	407,630	6.3	448,700
Ocean	208,470	346,038	65.99	370,100
Passaic	460,782	447,585	-2.86	453,100
Salem	60,346	64,676	7.18	66,500
Somerset	198,372	203,129	2.4	241,200
Sussex	77,528	116,119	49.78	128,500
Union	543,116	504,094	-7.18	517,900
Warren	73,960	84,429	14.15	88,400
STATE TOTAL	7,171,112	7,365,011	2.70	7,607,300

SOURCE: United States Department of Commerce, Bureau of the Census, *1980 Census of Population;*
New Jersey Department of Labor, Office of Demographic and Economic Analysis, *New Jersey Population Projections, July 1, 1985-2000*

*Economic/Demographic Model

A factor which has contributed to uneven population growth has been the migration out of New Jersey's largest cities. The movement of population away from the cities partially accounts for the increased population in communities like Dover Township, which experienced a 47.3 percent increase (Table 2.5).

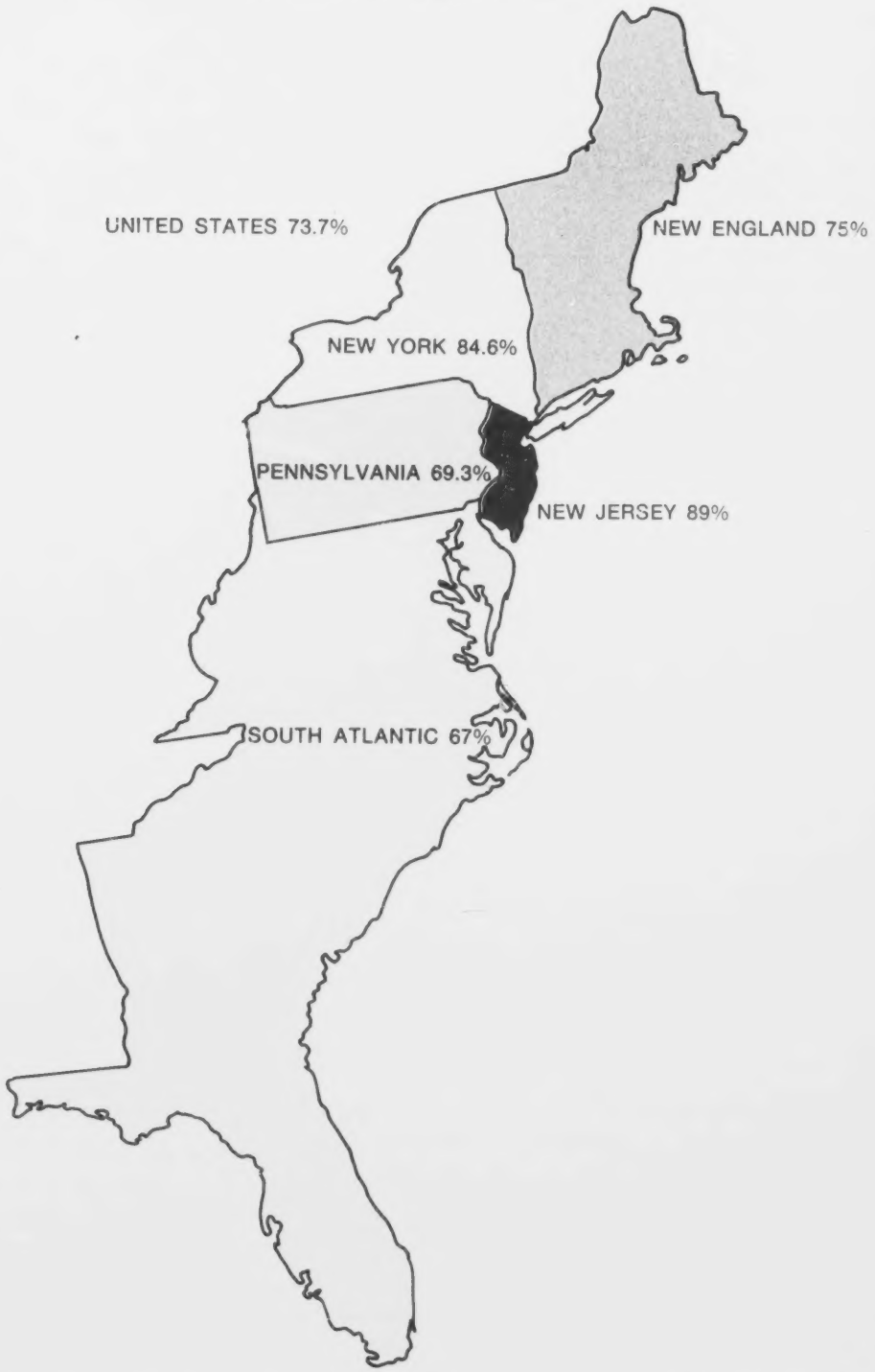
TABLE 2.5
RESIDENT POPULATION FOR SELECTED NEW JERSEY MUNICIPALITIES, 1970 and 1980

	1970	1980	Percent Change 1970-80
Atlantic City	47,859	40,199	-16.01
Bayonne	72,743	65,047	-10.58
Bloomfield Twp.	52,029	47,792	-8.14
Camden	102,551	84,910	-17.20
Cherry Hill Twp.	64,395	68,785	6.82
Clifton	82,437	74,388	-9.76
Dover Twp. (Ocean Co.)	43,751	64,455	47.32
East Orange	75,471	77,690	2.94
Edison Twp.	67,120	70,193	4.58
Elizabeth	112,654	106,201	-5.73
Hamilton Twp. (Mercer Co.)	79,609	82,801	4.0
Hoboken	45,380	42,460	-6.43
Irvington Twp.	59,743	61,493	2.93
Jersey City	260,545	223,532	-14.21
Middletown Twp.	54,623	62,574	14.56
New Brunswick	41,885	41,442	-1.06
Newark	381,930	329,248	-13.79
Old Bridge Twp.	48,715	51,515	5.75
Parsippany-Troy Hills	55,112	49,868	-9.52
Passaic	55,124	52,463	-4.83
Paterson	144,824	137,970	-4.73
Trenton	104,638	92,124	-11.96
Union	58,537	55,593	-5.03
Union Twp.	53,077	50,184	-5.44
Vineland	47,399	53,753	13.41
Woodbridge Twp.	98,944	90,074	-8.95

SOURCE: United States Department of Commerce, Bureau of the Census, *General Population Characteristic—New Jersey*, 1970 and 1980.

The proportion of New Jersey's population residing in urban and rural areas has remained stable for two decades. There has been no change subsequent to a three point increase in the percentage of urban residents between 1950 and 1960. New Jersey continues to have the highest percentage in the nation of residents in urban areas, with over 89 percent, leading New York by 4.4 percentage points and Pennsylvania by nearly 20 percentage points and the United States by 15 points (Figure 2.2).

FIGURE 2.2
PERCENTAGE OF POPULATION IN URBAN AREAS
By States & Regions, 1980



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

4. COMPONENTS OF POPULATION CHANGE

The rate at which at state's population grows is the net sum of three ingredients: the birth rate, death rate and net migration rate for the state. New Jersey's overall population growth rate differs from national figures as a result of differences in these basic components.

4.1 Birth Rate

The birth rate (the number of births per 1,000 population) has decreased significantly since 1960 for both the United States and New Jersey (Figure 2.3). Whereas the birth rate for New Jersey in 1960 was about 22 per 1,000 population; in 1980 the birth rate was only slightly more than 13 per 1,000 population. While the United States rate has always been above the New Jersey rate, more recently the gap has increased. The United States-New Jersey birth ratio in 1960 was 1.087 (23.7/21.8 = 1.087) and it increased by 1.206 by 1980 (15.8/13.1 = 1.206). The widening differences can partially be attributed to the movement of a portion of New Jersey's younger population (college students, etc.) out of the State.

In 1981, with 96,205 births, New Jersey's birth rate was 13 per thousand, nearly the same as the 1980 total; the 1981 birth rate remained unchanged at 13.1. For the United States, the number of births increased by one percent (Figure 2.3).

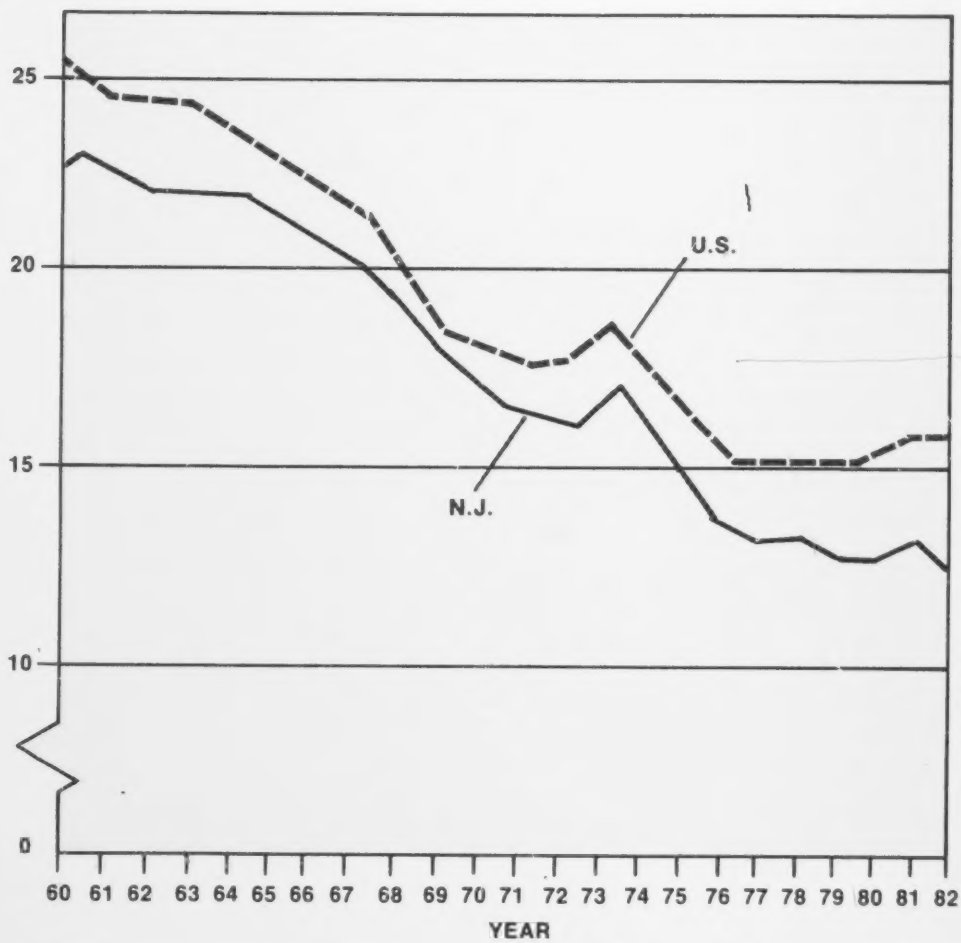
Birth rates within the State varied considerably between different counties. Camden County registered the highest birth rate in 1981 (16.1 per thousand), while the lowest rate (10.1) was recorded in Bergen County (Table 2.7).

TABLE 2.6
NEW JERSEY TOTAL BIRTHS BY RACE, 1981

	Births	Percent
New Jersey	96,205	100%
White	74,086	77%
Non White	20,416	21%
Unidentified	1,703	2%

SOURCE: New Jersey Department of Health, Division of Health Planning & Resource Development; *Births 1981.*

FIGURE 2.3
BIRTH RATE
NEW JERSEY AND UNITED STATES
1960-1982



SOURCE: United States Department of Health, Education & Welfare, Center for Health Statistics, *Vital Statistics of the United States* (various years).

TABLE 2.7
BIRTH RATES, MORTALITY RATES BY COUNTIES, 1981

	Birth Rates (per 1,000 pop.)	Mortality Rates (per 1,000 pop.)
Atlantic	13.77	12.23
Bergen	10.06	8.97
Burlington	12.57	6.39
Camden	15.91	8.68
Cape May	12.57	13.66
Cumberland	15.18	9.62
Essex	13.51	9.76
Gloucester	14.85	7.72
Hudson	14.33	10.16
Hunterdon	12.60	7.33
Mercer	13.05	9.20
Middlesex	11.99	7.35
Monmouth	12.12	9.29
Morris	11.81	6.75
Ocean	12.97	12.62
Passaic	14.61	9.33
Salem	14.69	9.00
Somerset	11.25	7.13
Sussex	15.00	6.65
Union	11.54	9.51
Warren	13.05	9.54
TOTAL	12.96	9.04

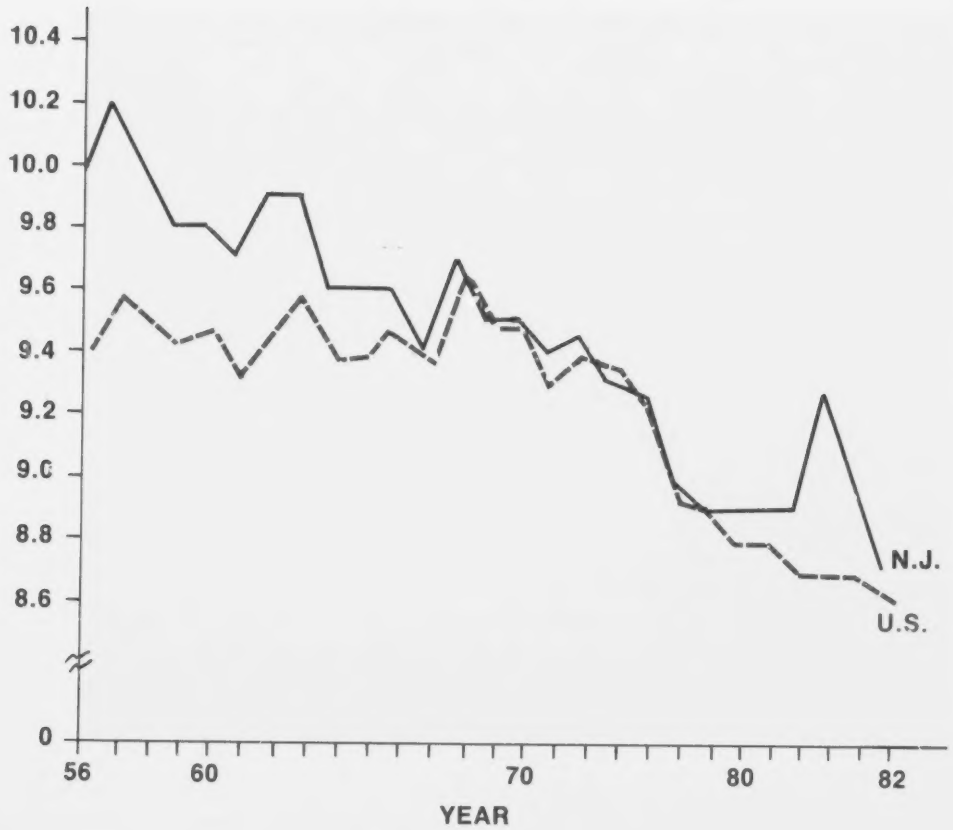
SOURCES: New Jersey Department of Health, Division of Health Planning & Resource Development, *Mortality 1981; Births 1981;* New Jersey Department of Labor, *Population Estimates of New Jersey.*

4.2 Mortality Rate

New Jersey's mortality rate (the number of deaths per 1,000 population) was slightly higher than the national average during the 1950's and early 1960's, but the rates were virtually identical from the late 1960's to 1975. Since 1975 the mortality rates for New Jersey have been above those of the United States. In 1980, New Jersey's mortality rate reached an eight-year high, at 9.3 deaths per 1,000 population (Figure 2.4). The mortality rate for 1981 was 9.1, down from the previous years' figures.

In all, a total of 67,053 New Jersey residents died in 1981. The leading cause of death was heart disease which was responsible for over 28,800 deaths. Among the other leading causes of death were cancer, stroke, accidents and pneumonia (Figure 2.5).

FIGURE 2.4
DEATH RATES
United States and New Jersey, 1956-1981



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83;* New Jersey Department of Health, Division of Health Planning and Resource Development.

The differences between male and female mortality rates has been narrowing slowly over the years. In 1981, the mortality rate for men was 9.9 per 1,000 population compared with a rate of 8.4 per 1,000 population for women.

4.3 Infant Mortality Rate

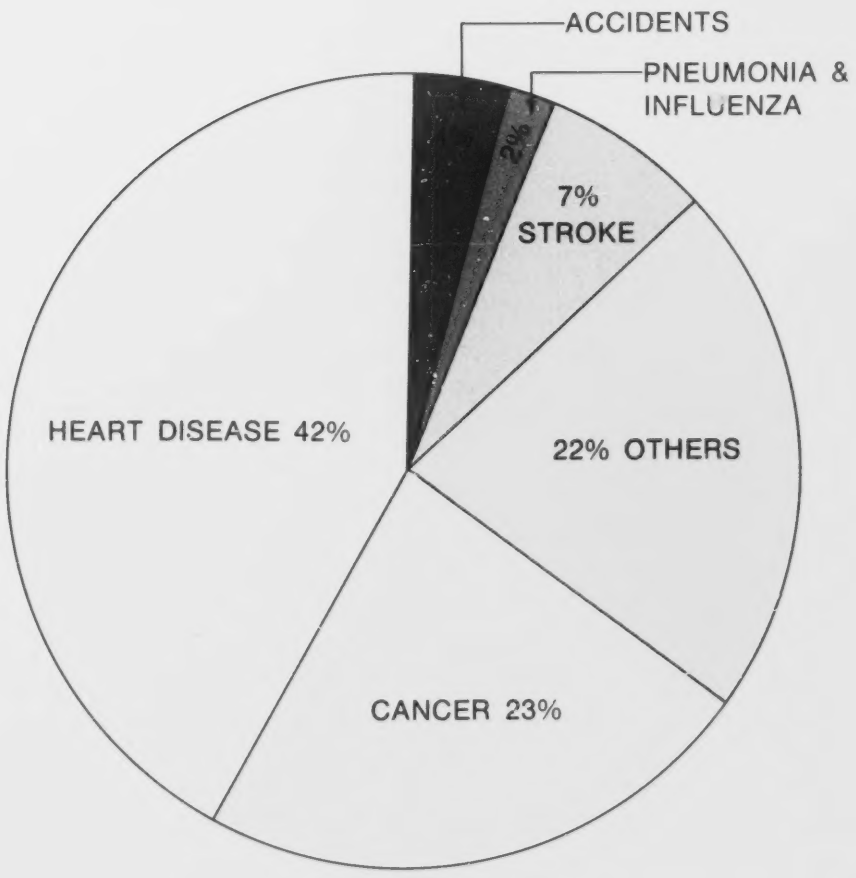
The infant mortality rate (the number of deaths of persons under one year of age per 1,000 live births) declined in 1981 from the previous year's figures (Table 2.8). New Jersey's infant mortality rate of 10.6 for 1981 was the lowest on record. Within the

State, the highest county rates appeared in Essex (14.8), Salem (14.8) and Mercer (14.4). Salem County recorded an increase of 2.7 deaths per 1,000 live births which was the largest in the State, while the Cumberland and Union County rates decreased.

4.4 Net Natural Increase

The net result of birth and death rates (net natural increase) has declined considerably since 1970. As in the United States, the New Jersey rate has decreased due to declining birth rates. As Figure 2.6 depicts, over the 1967-1981 period, New Jersey's rate

FIGURE 2.5
LEADING CAUSES OF DEATH OF NEW JERSEY RESIDENTS
1981



SOURCE: New Jersey State Department of Health, Division of Health Planning and Resource Development Health Data Services, *Mortality 1981*.

TABLE 2.8
NEW JERSEY'S INFANT MORTALITY RATE
1980 and 1981

Year	Number of Infant Deaths	Infant Mortality Rates (per 1000 Live Births)
1980	1201	12.5
1981	1016	10.6

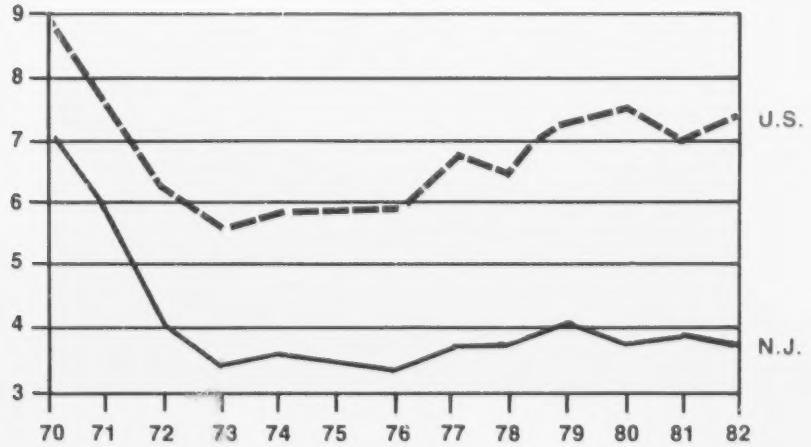
SOURCE: New Jersey Department of Health, Division and Planning and Resources Development, *Mortality* (1981).

of net natural increase has been lower than the national rate and declining faster. The differences can be partially attributed to New Jersey's older population (see age distribution), which, by nature, has a lower birth rate and a higher death rate.

4.5 Migration

New Jersey's average annual net rate of migration (the balance of population in-and-out migration) has declined since 1960. Where between 1950-1960 the average annual rate was +1.13 percent, well above the national average*, by 1980, the rate had

FIGURE 2.6
NET NATURAL INCREASE
United States and New Jersey, 1970-1982
(per thousand of population)

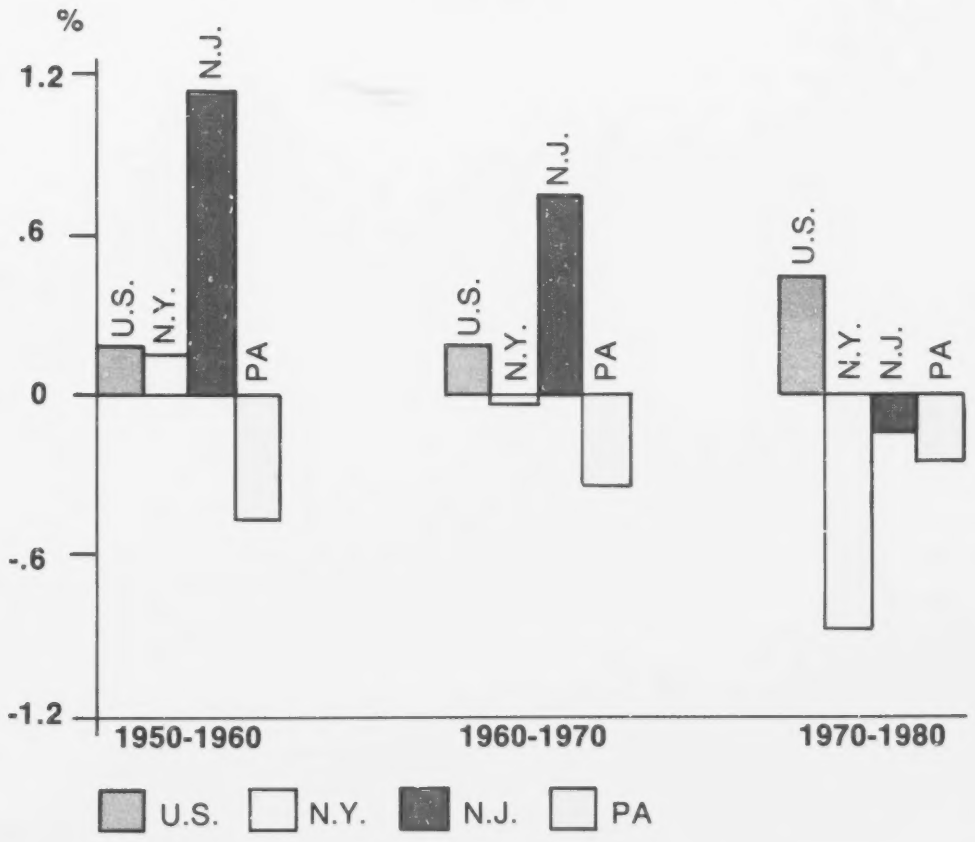


SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

*It should be noted that net migration among states is zero. The total net migration in the United States represents *external* migration.

fallen to -.16 percent, substantially less than the national average (Figure 2.7). Due to the downward movement, the subsequent reversal of the State's migration rate and the reduced rate of net natural increase, New Jersey's population growth has declined, especially in the 1970's.

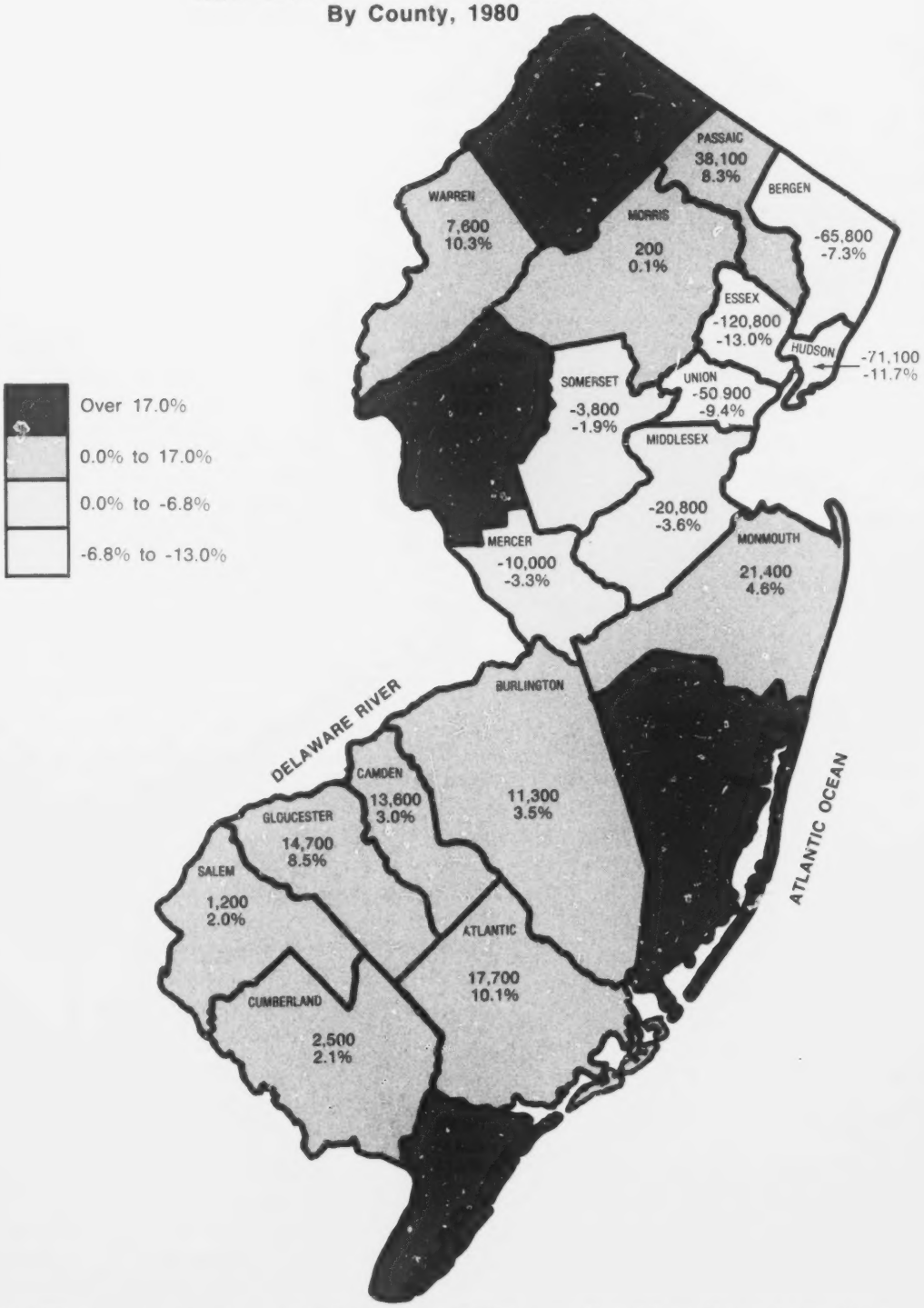
FIGURE 2.7
AVERAGE ANNUAL RATE OF NET MIGRATION, 1950-1980
(percent)



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years).

Within New Jersey, Ocean County had the greatest positive net migration from 1970 to 1980 both in absolute number and rate (130,300; 62.5%). Essex County experienced the greatest net outmigration (120,800; 13.0%) during the same decade. Net outmigration for the State was 119,000 (-1.7%) (Figure 2.8).

FIGURE 2.8
NEW JERSEY NET MIGRATION RATES
By County, 1980



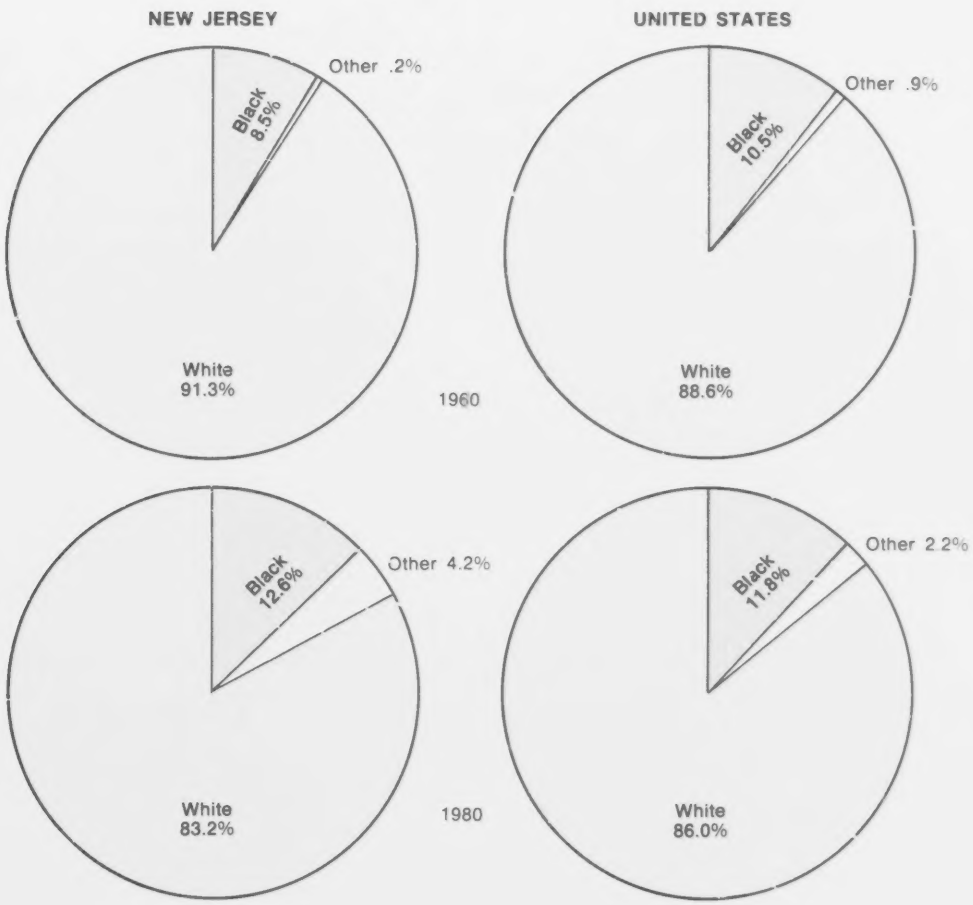
NOTE: Average county net migration rates +17.0% for counties with positive net migration; -6.8% for those with negative net migration.

SOURCE: New Jersey Department of Labor, Office of Demographic & Economic Analysis.

5. RACIAL COMPOSITION

The racial composition of New Jersey's population more closely resembles that of the United States now than it had in the past. In 1980, New Jersey's share of white population was identical with the national share (Figure 2.9). As opposed to "black" and "others," New Jersey's white population share declined between 1960 and 1980 by eight percentage points.

FIGURE 2.9
RACIAL COMPOSITION OF THE POPULATION
United States and New Jersey
1960 and 1980



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 2.10
AGE DISTRIBUTION OF THE UNITED STATES AND NEW JERSEY
1970 and 1980

FIGURE 2.10
AGE DISTRIBUTION OF THE UNITED STATES AND NEW JERSEY

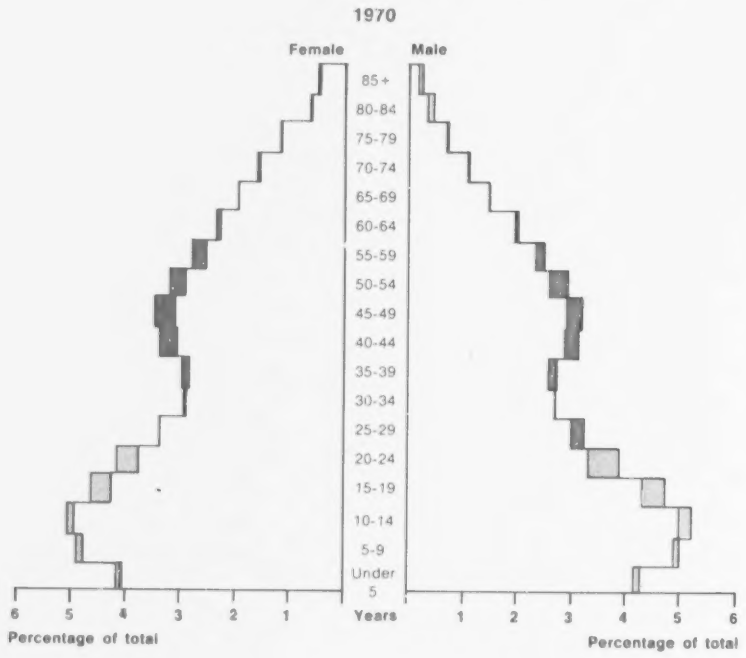
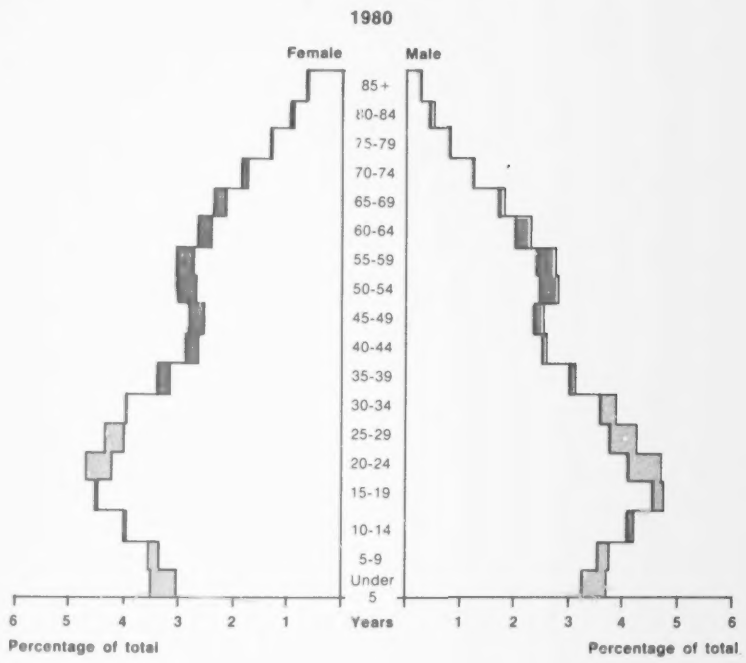


FIGURE 2.10
AGE DISTRIBUTION OF THE UNITED STATES AND NEW JERSEY



New Jersey proportion exceeds U.S.

New Jersey proportion is less than U.S.

6. AGE DISTRIBUTION

As displayed in Figure 2.10 New Jersey's population is slightly older than that of the United States. In New Jersey 53.32 percent of the population is above the age of 29, while only 50.0 percent of the population is above that age for the United States. New Jerseyans over 60 years of age constitute 16.7 percent of the State's population—one percentage point above the national figure of 15.7 percent.

The age distribution of New Jersey's population has been noticeably affected by the decrease in the rate of net natural increase. The declining birth rate, which has been dropping faster than the mortality rate, has diminished the proportion of people within the younger age groups, while the proportion of older people has increased.

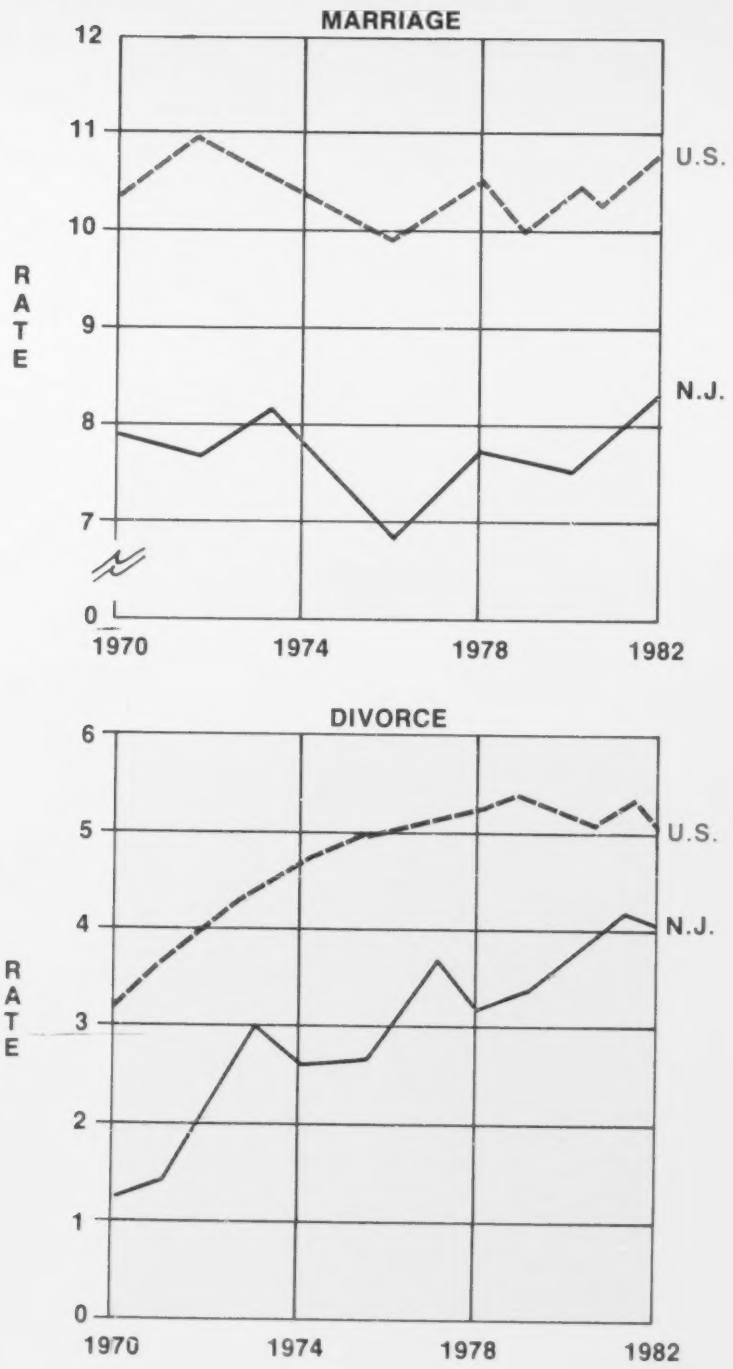
7. MARRIAGE AND DIVORCE

Marriage and divorce rates (the number of marriages and divorces per 1,000 population) for New Jersey have historically been lower than the United States figures (Figure 2.11). Marriage rates for the State ranged from 6.9 in 1977 to 8.1 in 1982 while national rates were hovering between 10.0 to 11.0. New Jersey's divorce rate has climbed from less than two divorces per thousand residents in 1970 to almost 4.0 in 1982. The national rates have continued to rise from 3.5 in 1970 to 5.4 in 1982.

8. HOUSEHOLDS AND FAMILIES

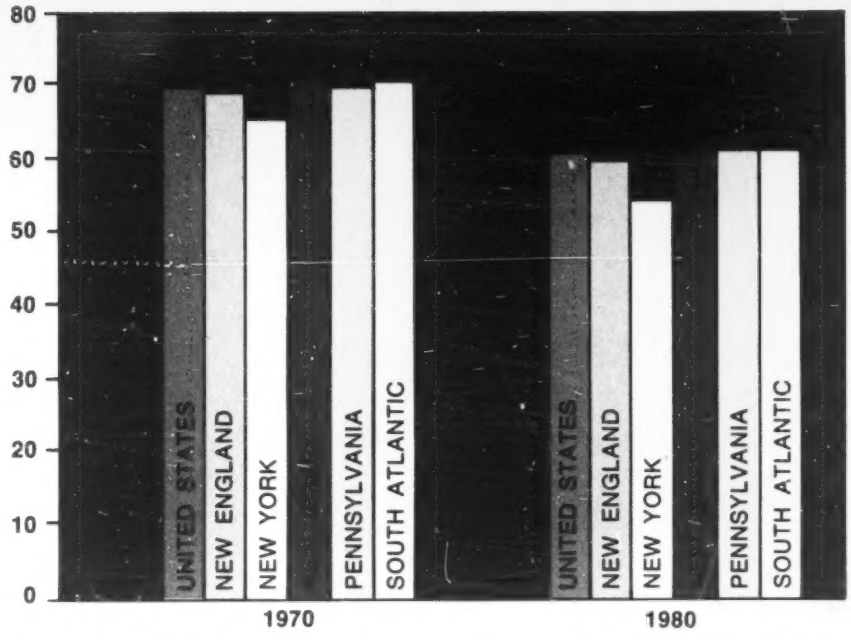
Partially due to an increase in divorce rates combined with a decrease in the marriage rate, the formation of New Jersey's families and households has changed, lowering the percentage of husband and wife households. Between 1970 and 1980, the percentage of households with a husband and wife present decreased over nine points (Figure 2.12), while the percentage of female-headed families increased (Figure 2.13).

FIGURE 2.11
MARRIAGE AND DIVORCE RATES, UNITED STATES AND NEW JERSEY
1970-1982
(per 1000 population)



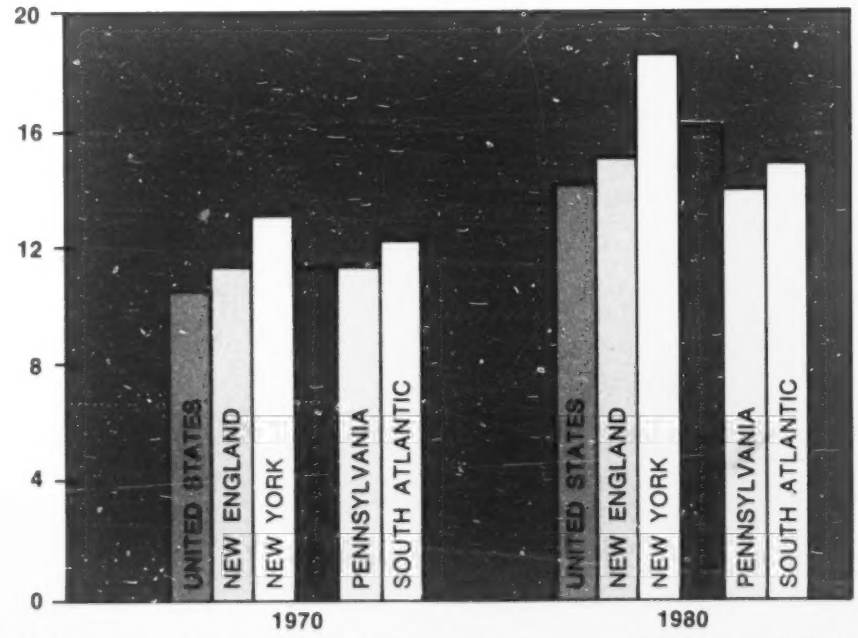
SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 2.12
HUSBAND/WIFE HOUSEHOLDS BY AREA, 1970 and 1980
(percent)



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 2.13
FEMALE HEADS OF FAMILIES BY AREA, 1970 and 1980
(percent)



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

SUMMARY

During the 1960's New Jersey was growing at a rapid 1.7 percent per year vs. an average United States growth of 1.2 percent. The decade from 1970 to 1980 witnessed a reversal: New Jersey's population growth rate fell to 0.3 percent, much less than the United States rate of 1.1 percent.

New Jersey is the most densely populated state in the nation with nearly 1,000 persons per square mile. Nevertheless, density in the counties varied widely with a low of 184 in Salem to a high of 11,999 in Hudson County.

Population in the State's major cities generally declined and, as a result, suburban and exurban area populations increased. Still, most people (89%) in the State reside in urban areas.

III. EMPLOYMENT

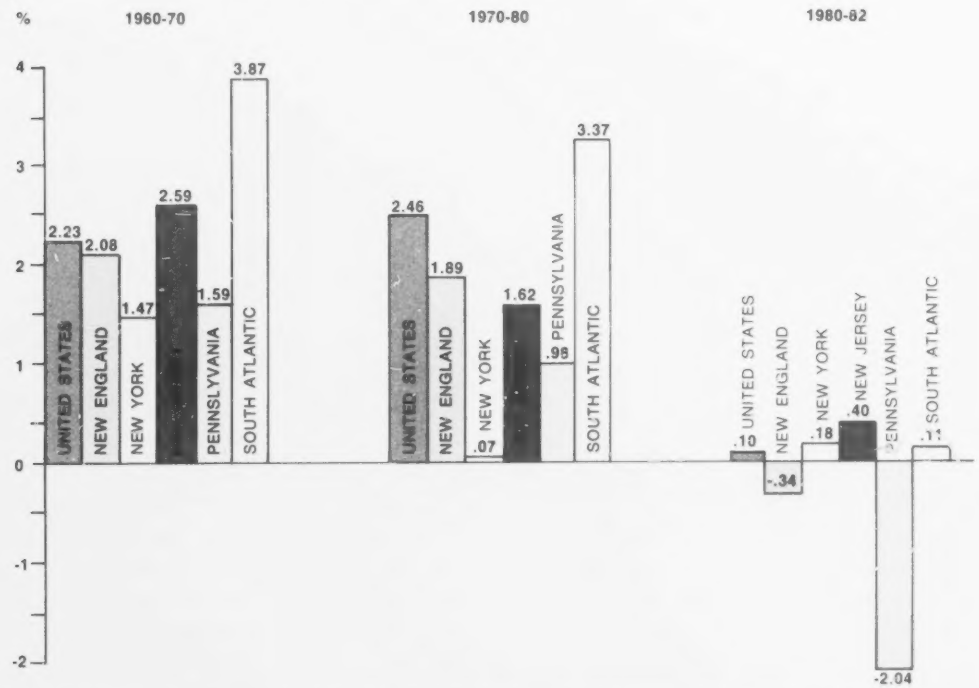
In 1983, over 3.3 million New Jersey residents were gainfully employed. About 44 percent of the State's total population is employed. The State's employment is concentrated in nonfarm sectors, since agriculture's employment is very small.

In recent years the entire employment growth took place in nonmanufacturing sectors, while manufacturing, once the predominant sector in New Jersey's economy, has been declining relative to other sectors and in absolute numbers of employed workers.

1. GROWTH IN EMPLOYMENT

For the past several decades, total nonagricultural employment in New Jersey has grown at a rate far in excess of those of its neighboring states (Figure 3.1). From 1960 to 1970 New Jersey's nonagricultural employment grew at an average annual rate of 2.59 percent compared to 1.47 percent for New York state and 1.69 percent for Pennsylvania. The rate of employment growth for the entire United States was 2.72 percent annually during the 1960's.

FIGURE 3.1
AVERAGE ANNUAL RATE OF CHANGE, NONAGRICULTURAL EMPLOYMENT



SOURCE: Calculated from United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

From 1970 to 1980 New Jersey's average annual rate of increase was 1.62 percent in contrast to Pennsylvania's 0.98 percent and New York's 0.07 percent. The national employment growth in the 1970's was 2.51 percent.

New Jersey's employment growth was 0.96 percent of the national growth in the 1960's and 65 percent in the 1970's. Several factors have contributed to this widening gap between state and national employment growth rates. One contributing factor was the slow population growth for the 1970-1980 period. During the 1970's, migration into New Jersey was below that of the United States as a whole (in fact, New Jersey's rate was negative). In contrast, New Jersey's rate of in-migration for 1960-1970 had been almost five times that of the nation.

Another factor possibly influencing relative state and national growth rates is the general pattern of business activity. Many new and existing businesses have expanded to other faster-growing areas of the nation, which has slowed the growth of demand for labor in New Jersey. This may also explain the decline in net migration to New Jersey as some workers leave the State to "follow" jobs. In fact, these factors are interconnected; firms relocate according to population trends (i.e., businesses take geographic characteristics of demand into consideration when locating or relocating), and job-seekers follow businesses in search of employment.

2. COMPOSITION OF EMPLOYMENT

The composition of employment—the distribution of jobs by sector—has changed markedly in both New Jersey and the United States as a whole. There has been a rise in the share of service-producing employment and in government employment, while the share of goods-producing employment has decreased.

2.1 Private Goods-Producing Sector

In the past, New Jersey had a higher than average share of employment in the relatively slow-growing goods-producing sector, which includes manufacturing, construction and mining. This sector's share has been decreasing throughout the United States (Table 3.1 and Figure 3.2). Between 1960 and 1982 New Jersey's goods-producing employment decreased by 18 points. The difference between New Jersey and United States employment in this sector (7 points in 1960) has virtually vanished. In 1982 New Jersey's employment in the goods-producing sector was the same as the national figure, 27%.

TABLE 3.1
SHARE OF NONAGRICULTURAL EMPLOYMENT BY SECTOR, 1960-1982
(percent)

	1960			1982		
	Goods	Services	Government	Good	Services	Government
United States	38	46	16	27	55	18
New England	44	44	13	31	53	16
South Atlantic	36	44	20	24	56	20
New York	35	52	13	22	60	18
New Jersey	45	43	12	27	56	17
Pennsylvania	44	44	12	30	55	15

SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earning* (various years).

2.2 Private Service Sector Employment

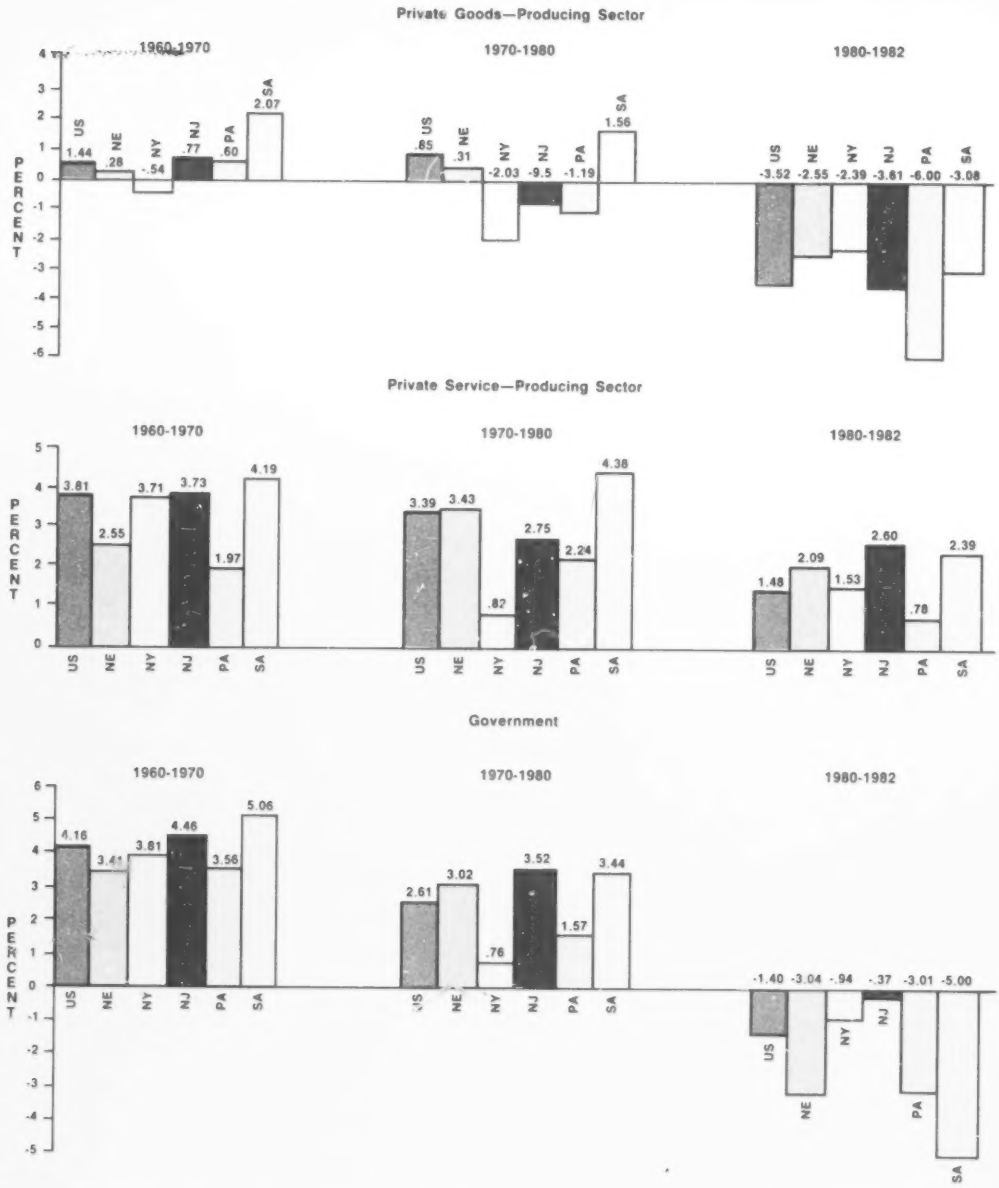
The private service-producing sector, which includes transportation and public utilities, wholesale and retail trade, finance, insurance and real estate, and services, has, since 1960, increased throughout the United States. New Jersey's employment in the private service-producing sector grew faster than in the nation as a whole. Between 1960 and 1982, employment in the service sector in New Jersey increased from 43 percent to 56 percent (Table 3.1). The United States figure, which was 46 percent in 1960, increased to 55 percent in 1982. In New York the percentage of service-producing employment was 60 percent, much higher than the national average of 55 percent.

2.3 Public Sector Employment

New Jersey's employment in government increased from 12 percent to 17 percent of nonagricultural employment between 1960 and 1982. In 1960, 12 percent of New Jersey's total nonagricultural employment was in government, while New York and Pennsylvania had 13 percent and 12 percent, respectively. For the United States as a whole the figure was 16 percent (Table 3.1). By 1982, New Jersey had increased its government employment to 17 percent; New York had 18 percent and Pennsylvania had 15 percent. The United States figure was 18 percent. The increase of New Jersey's government employment from 1960 to 1982 was greater than the national figure.

Most of this growth in government, however, has been concentrated in one area—education. New Jersey's rapid population growth during the sixties necessitated the hiring of public school teachers and other school personnel, all of whom are categorized

FIGURE 3.2
AVERAGE ANNUAL RATE OF CHANGE OF EMPLOYMENT BY MAJOR SECTORS



SOURCE United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings—States and Areas—1939-1978,* and *1977-1982.*

as government employees. In addition, the rapid expansion of the state's higher education system (chiefly community colleges) increased the number of personnel employed by the public sector. Excluding educational service employees, New Jersey's government employment increased at an average annual rate of 2.2 percent from 1957 to 1977 compared to the United States average annual increases of 3.7 percent for all nonagricultural employment for this period.

3. EMPLOYMENT SHARES BY SECTOR

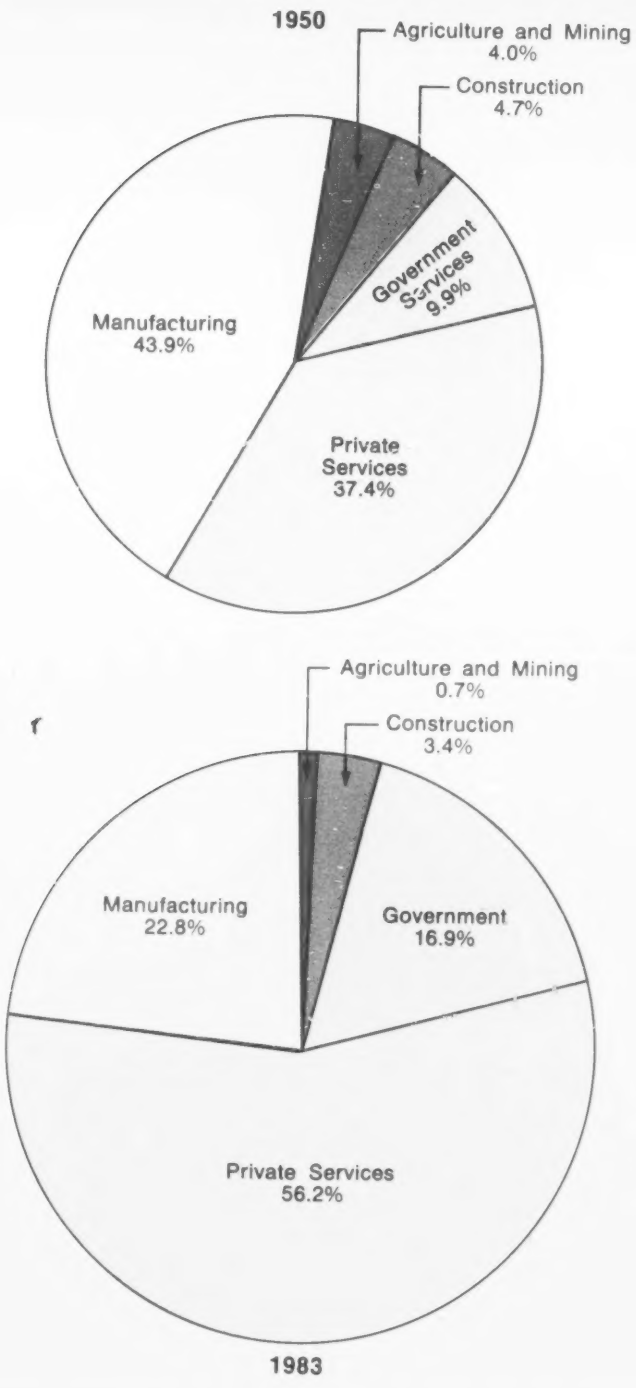
New Jersey's employment by sector underwent important changes in the last 30 years (Table 3.2). In 1950, New Jersey was heavily involved in manufacturing with 43.9 percent of all workers employed in this sector. By 1983, less than 23 percent of the total were employed in manufacturing (Figure 3.3). There has been an increase of nearly seven percentage points increase in the share of wholesale and retail trade, and a 12 percentage points increase in services employment. The government sector's share increased from 9.9 percent in 1950 to 16.9 percent in 1983. The shares of agriculture, transportation, communication and utilities declined.

TABLE 3.2
NEW JERSEY EMPLOYMENT BY SECTOR, 1950-1983

	1950		1983	
	Number (000)	Percent	Number (000)	Percent
Agriculture	66	3.8	20	0.6
Non-Agriculture	1657	96.2	3097	99.4
Goods Producing	841	48.8	817	26.3
Manufacture	756	43.9	709	22.8
Construction	81	4.7	106	3.4
Mining	4	.2	2	0.1
Service Producing	644	37.4	1752	56.2
Wholesale & Retail	274	15.9	706	22.7
Finance, Insurance & Real Estate	68	3.9	168	5.4
Transportation Communication & Pub. Until.	135	7.8	197	6.3
Services	167	9.7	681	21.8
Government	171	9.9	528	16.9
TOTAL	1723	100.0	3117	100.0

SOURCE: New Jersey Department of Labor, Division of Planning and Research.

FIGURE 3.3
EMPLOYMENT BY SECTOR, 1950-1983
TOTAL AND SHARE OF SECTOR



SOURCE: New Jersey Department of Labor, Division of Planning and Research.

4. GEOGRAPHICAL EMPLOYMENT TRENDS

The three selected sectors of employment (manufacturing, wholesale and retail trade and services) have roughly equal shares of total employment (about 23%) statewide. However, the State's distribution of employment by sector is not geographically uniform. The percentage of workers in manufacturing ranges from 37.8 percent in Phillipsburg to 2.5 percent in the Ocean City-Wildwood-Cape May labor market area (Figure 3.4). While the Ocean City-Wildwood-Cape May area has the lowest manufacturing employment share, it also has the highest wholesale and retail trade employment share of 42.7 percent. The lowest employment share for wholesale and retail trade is in Salem with 12.7 percent (Figure 3.5). Service employment shares range from 45.9 percent in Atlantic City to 13.1 percent in Salem (Figure 3.6).

5. AN OVERVIEW OF THE UNEMPLOYMENT PROBLEM

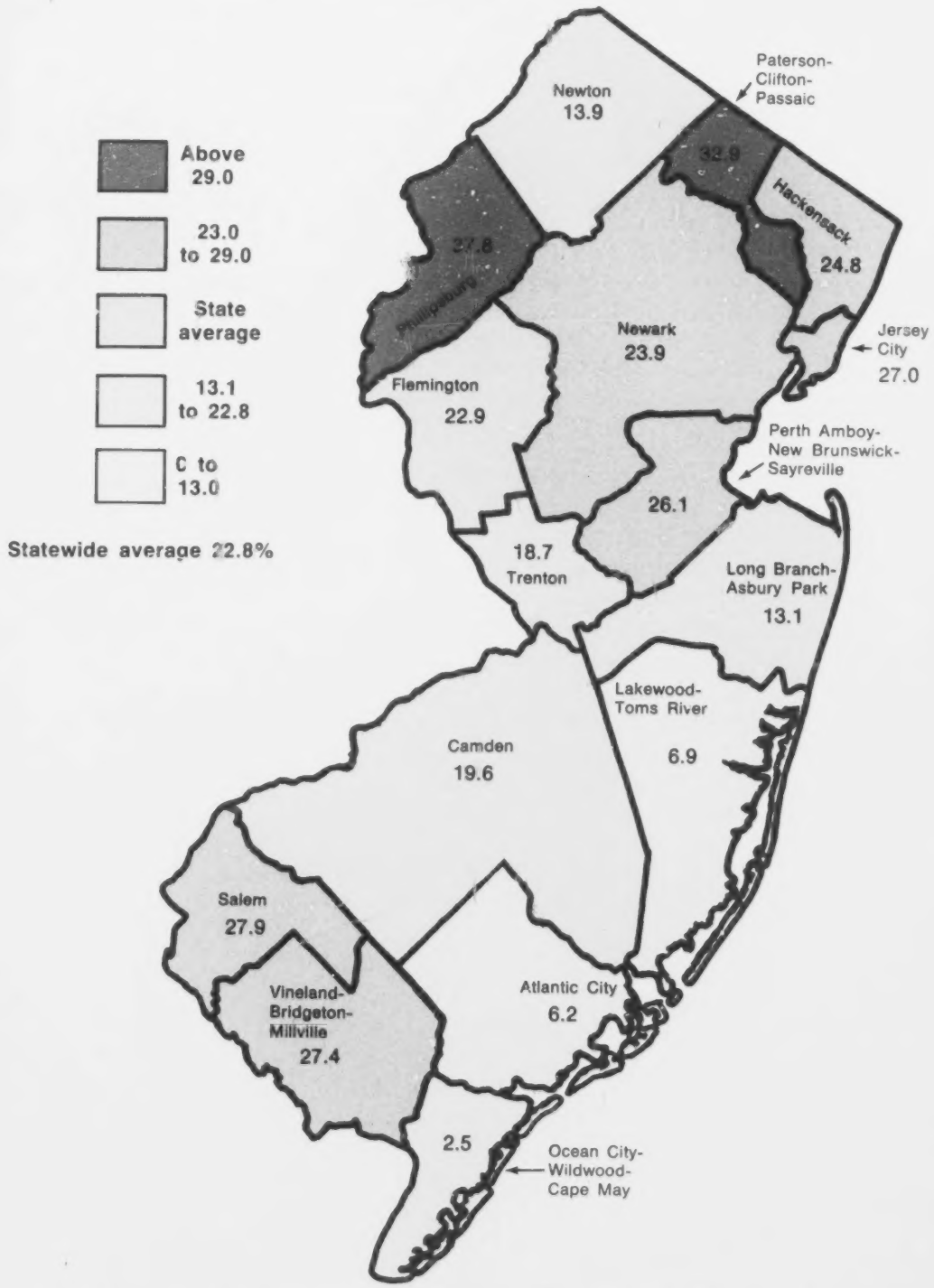
For nearly a decade New Jersey's unemployment rate had been above the national average, however since 1981, the rate has been below the national level (Table 3.3 and Figure 3.7). During the 1973-75 recession, New Jersey's unemployment rate increased much more than the national unemployment rate. In 1976, the rate reached 10.4 percent of the total labor force which was 86 percent higher than the employment rate in 1973. In the 1981-82 recession, New Jersey's unemployment rate did not reach the double-digit

TABLE 3.3
COMPARATIVE UNEMPLOYMENT RATES

Year	United States	New England	South Atlantic	New Jersey
1970	4.9	4.8	4.0	4.6
1971	5.9	6.9	4.7	5.7
1972	5.6	6.9	4.4	5.8
1973	4.9	6.0	4.2	5.6
1974	5.6	6.5	5.3	6.3
1975	8.5	10.4	8.4	10.2
1976	7.7	9.0	7.6	10.4
1977	7.0	7.6	7.2	9.4
1978	6.1	5.4	6.2	7.2
1979	5.8	5.4	6.0	6.9
1980	7.1	6.3	6.9	7.2
1981	7.6	6.3	7.5	7.3
1982	9.7	7.9	10.3	9.0

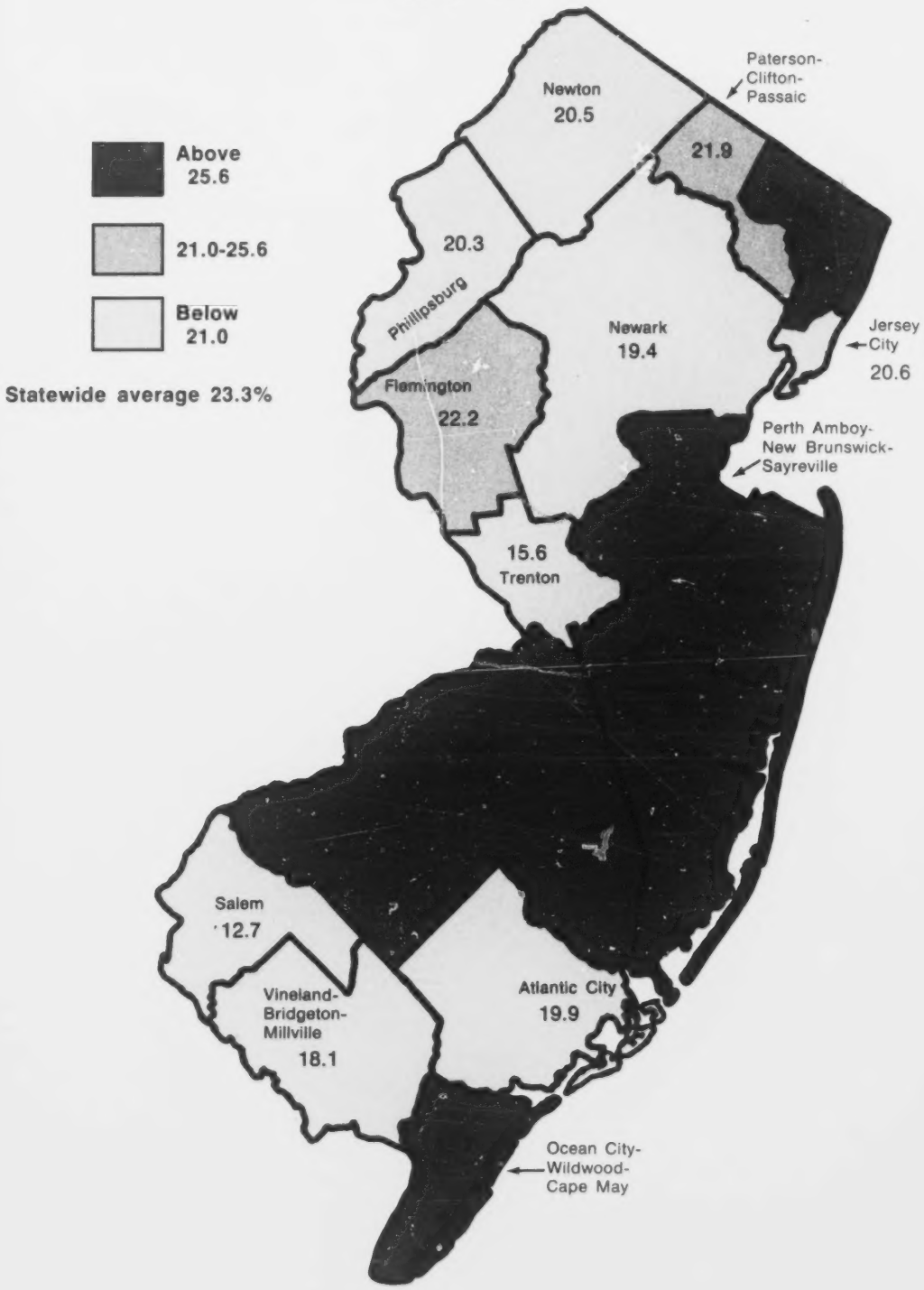
SOURCES: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years); New Jersey Department of Labor, Division of Planning & Research.

FIGURE 3.4
SHARE OF MANUFACTURING EMPLOYMENT BY LABOR MARKET AREAS
(July 1983)



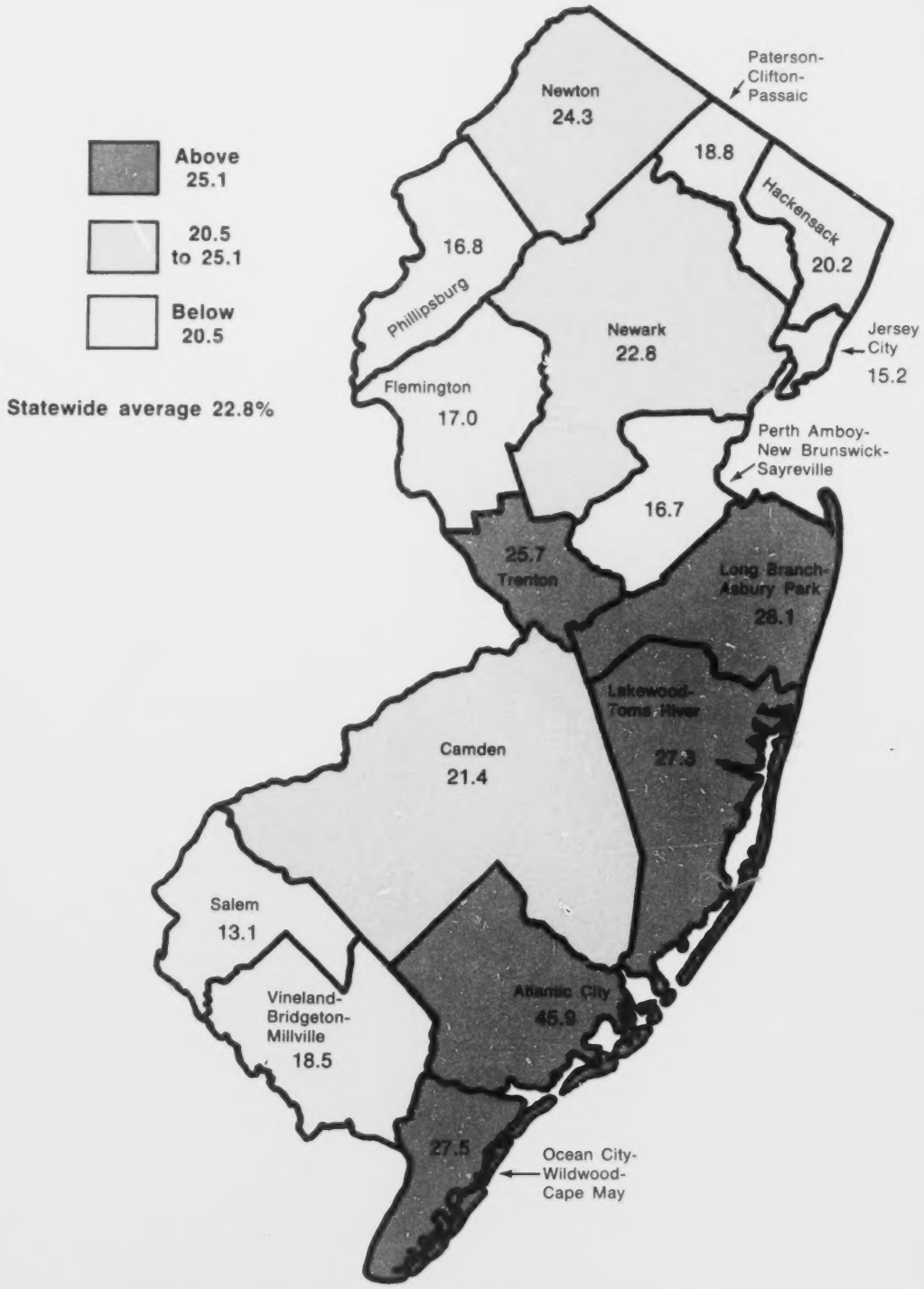
SOURCE: New Jersey Department of Labor, Division of Planning & Research.

FIGURE 3.5
SHARE OF TRADE EMPLOYMENT BY LABOR MARKET AREAS
(July 1983)



SOURCE: New Jersey Department of Labor, Division of Planning & Research.

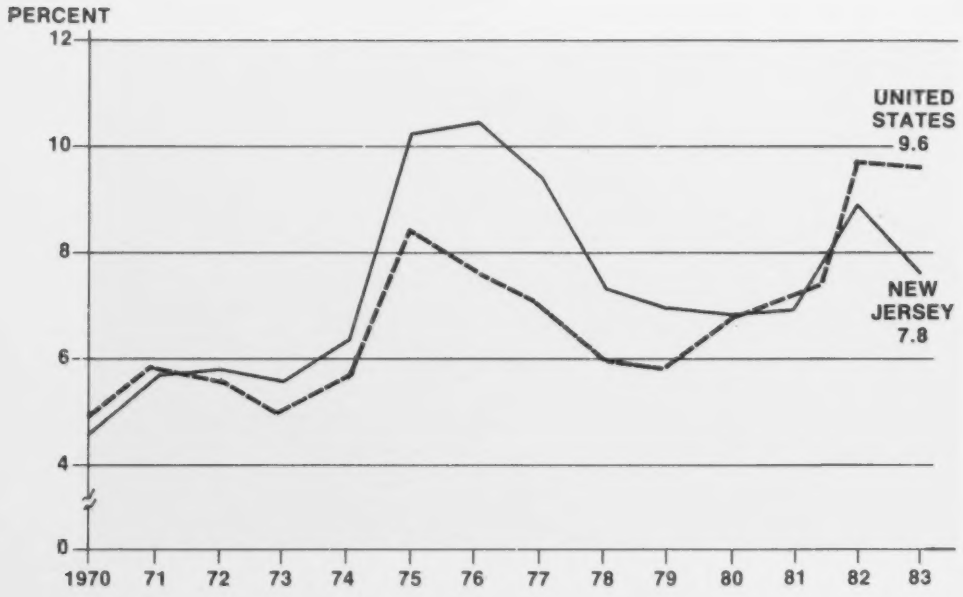
FIGURE 3.6
SHARES OF SERVICE EMPLOYMENT BY LABOR MARKET AREAS
(July 1983)



SOURCE: New Jersey Department of Labor, Division of Planning & Research.

level and remained consistently lower than the national rate. Moreover, New Jersey's unemployment rate was lower than that of the South Atlantic region but higher than in the New England states.

FIGURE 3.7
COMPARATIVE UNEMPLOYMENT RATES
1970-1983

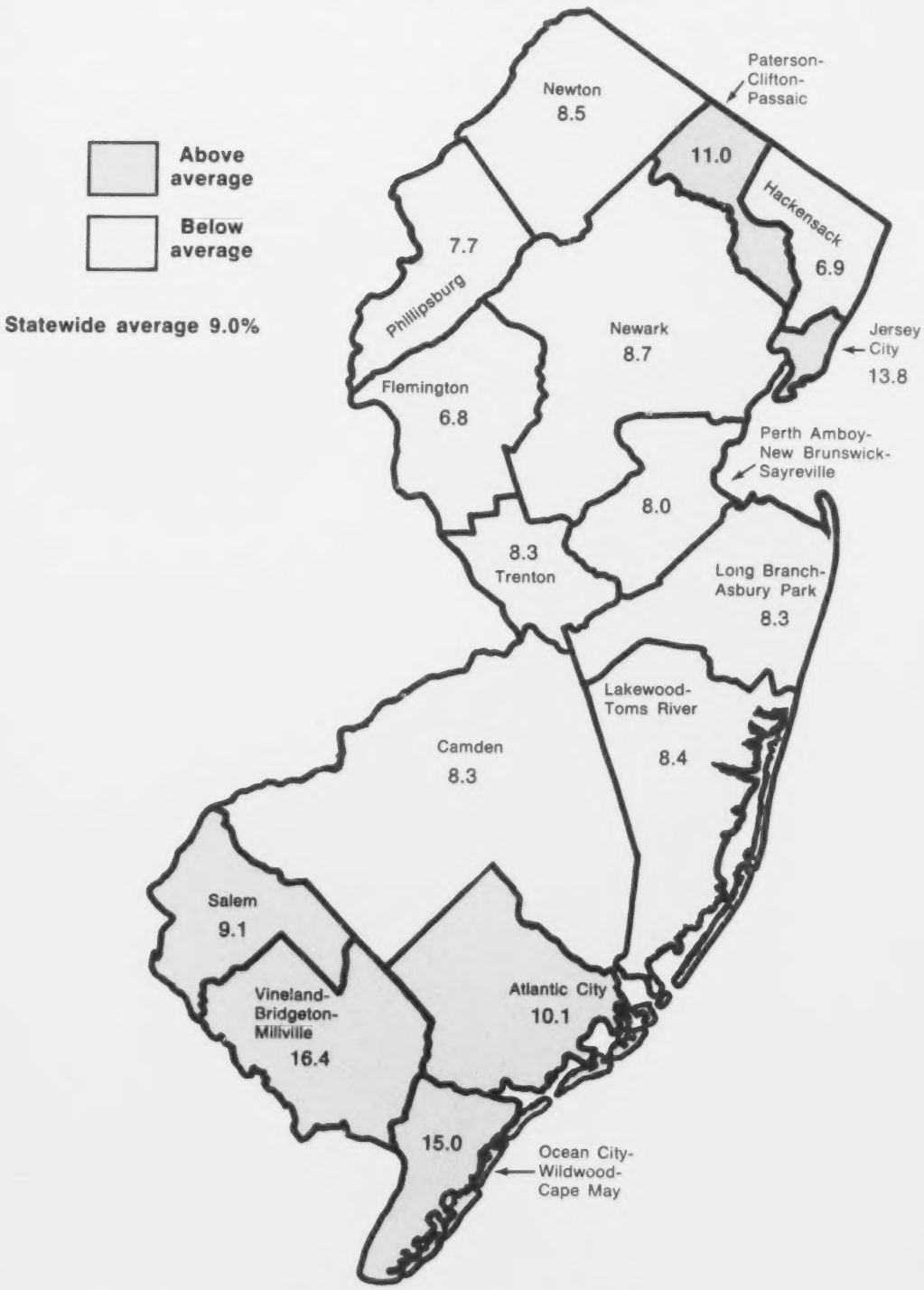


SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years).

5.1 Unemployment within the State

Unemployment rates vary greatly across the State. The unemployment rates in 1982 ranged from a high of 16.4 percent in the Vineland-Bridgeton-Millville area and a low of 6.8 percent in Flemington; while the statewide unemployment rates was 9.0 percent (Figure 3.8). The Atlantic City, Jersey City, Ocean City-Wildwood-Cape May, Paterson-Clifton-Passaic, Salem, and Vineland-Bridgeton-Millville areas were all above the statewide rate in 1982 (Table 3.4). Five of these six areas have been above the statewide rate since 1970, while Salem's unemployment rates have been higher since 1980.

FIGURE 3.8
UNEMPLOYMENT RATES BY LABOR MARKET AREAS, 1982
(percent)



SOURCE: New Jersey Department of Labor, Division of Planning & Research.

TABLE 3.4
UNEMPLOYMENT RATES, NEW JERSEY LABOR MARKET AREAS, 1970-1982

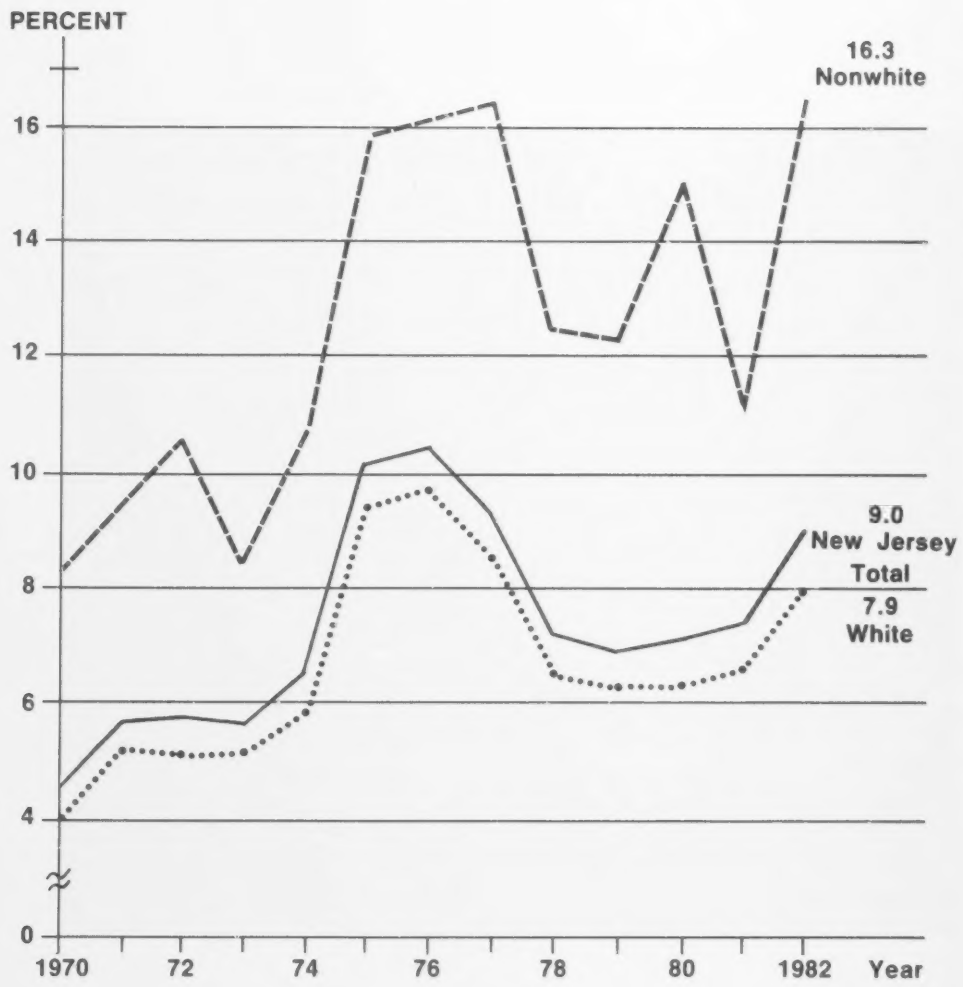
	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Statewide	4.6	5.7	5.8	5.6	6.3	10.2	10.4	9.4	7.2	6.9	7.2	7.3	9.0
Atlantic City	5.9	6.5	6.9	7.1	8.3	11.9	12.2	12.3	9.8	9.3	8.2	8.3	10.1
Camden	4.0	5.4	5.7	5.2	5.6	9.5	9.8	8.9	6.3	6.0	6.6	7.0	8.3
Flemington	3.4	5.5	4.8	3.9	4.3	7.3	7.3	6.7	5.3	5.2	5.0	5.4	6.8
Jersey City	6.1	7.8	8.0	7.7	8.6	13.3	13.9	13.2	10.8	10.0	10.7	11.3	13.8
Lakewood-Toms River	3.6	4.5	5.0	4.9	6.5	9.9	10.1	9.2	7.7	8.0	7.8	8.1	8.4
Long Branch-Asbury Park	4.3	5.0	5.3	5.2	6.0	9.4	9.6	9.2	7.4	7.2	6.7	6.7	8.3
Newark	4.6	5.8	5.9	5.7	6.5	10.4	10.5	9.0	6.7	6.7	7.1	7.1	8.7
Newton	4.7	4.4	4.6	4.7	5.4	9.3	10.0	9.5	7.4	7.5	7.3	7.2	8.5
Ocean City-Wildwood-Cape May	7.8	8.9	9.4	9.3	9.6	13.9	15.2	16.7	13.8	12.0	11.8	12.8	15.0
Paterson-Clifton-Passaic	5.7	6.8	6.6	7.3	7.9	12.8	12.6	11.4	8.4	9.1	9.1	8.8	11.0
Hackensack	3.6	4.8	4.8	4.4	4.9	8.6	8.9	8.0	6.2	5.4	5.6	5.5	6.9
Perth Amboy-New Brunswick-Sayreville	4.2	5.3	5.3	4.9	5.6	9.6	10.0	8.4	6.5	5.9	6.3	6.1	8.0
Phillipsburg	3.5	5.8	5.4	3.7	4.8	10.1	11.3	10.1	7.3	5.6	5.7	6.5	7.7
Salem	3.8	4.6	4.0	3.5	5.0	8.0	8.3	7.2	5.1	6.6	7.7	8.1	9.1
Trenton	3.9	4.5	4.1	4.3	5.4	8.1	7.8	6.7	5.2	5.7	6.7	6.2	8.3
Vineland-Bridgeton-Millville	6.6	7.4	7.4	7.2	9.1	14.5	12.9	12.0	9.6	9.7	10.9	12.6	16.4

SOURCE: New Jersey Department of Labor, Division of Planning and Research.

5.2 Demographics of Unemployment

New Jersey's unemployment rates vary among the State's various ethnic groups and between the sexes. New Jersey's nonwhite unemployment rate in 1982 was 16.3 percent while the white unemployment rate was 7.9 percent (Table 3.5 and Figure 3.9). Unemployment rates for females and teenagers are also higher than for males. In 1982, the unemployment rate for females twenty years of age and over was 8.4 percent, for teenagers 16-19 years of age it was 22.7 percent, while for males twenty years of age and over it was 7.4 percent (Table 3.6 and Figure 3.10).

FIGURE 3.9
UNEMPLOYMENT RATES
(white vs. nonwhite)
1970-1982



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review* and *Employment and Earnings* (various issues).

TABLE 3.5
NEW JERSEY UNEMPLOYMENT RATES
(white vs. nonwhite)
1970-1982

	White	Nonwhite	Total
1970	4.1	8.2	4.6
1971	5.3	9.6	5.7
1972	5.2	10.5	5.8
1973	5.2	8.4	5.6
1974	5.8	10.6	6.3
1975	9.5	15.8	10.2
1976	9.8	16.1	10.4
1977	8.5	16.3	9.4
1978	6.5	12.5	7.2
1979	6.2	12.2	6.9
1980	6.2	15.0	7.2
1981	6.5	13.1	7.3
1982	7.9	16.3	9.0

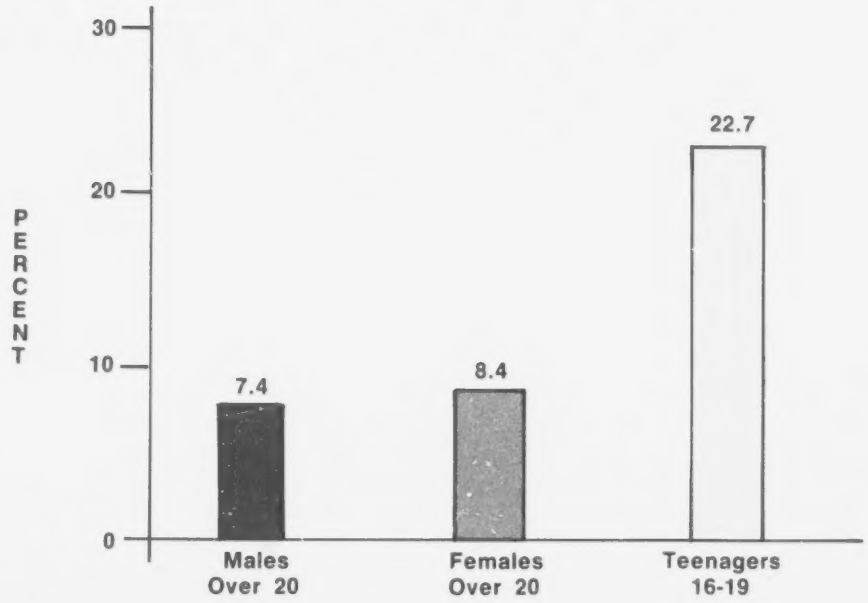
SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*, and *Employment and Earnings* (various issues).

TABLE 3.6
NEW JERSEY UNEMPLOYMENT RATES FOR MALES AND FEMALES OVER 20 AND TEENAGERS 16-19, 1975-1982
(percent)

	Male 20 and over	Female 20 and over	Teenager 16-19
1975	8.3	10.5	21.6
1976	8.6	10.5	22.3
1977	7.1	10.0	21.9
1978	5.3	7.4	17.6
1979	5.3	6.6	19.9
1980	5.4	7.0	20.2
1981	5.3	6.7	23.1
1982	7.4	8.4	22.7

SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment, 1982.*

FIGURE 3.10
NEW JERSEY UNEMPLOYMENT RATES FOR 1982



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment,* 1982.

SUMMARY

New Jersey employment has grown steadily with minor interruptions during recessions. The State's employment distribution now closely resembles that of the nation. New Jersey, once mostly goods-producing, became a service-producing state following the national trend. There has also been a change in New Jersey's unemployment rates, which have been below the national rates for the last few years after being higher than the national rate for almost ten years. The unemployment rate for minorities and especially teenagers are extremely high.

IV. INCOME

1. TOTAL AND PER CAPITA INCOME

Income is a topic of prime importance, not only for individual households and residents but also for businesses seeking markets for their goods and services.

Personal income is the income of residents from all sources. New Jersey's total personal income increased during the past thirteen years at an average annual rate of 8.9 percent, reaching $103 billion in 1983 (Table 4.1).

TABLE 4.1
NEW JERSEY PERSONAL INCOME
Current Dollars

Year	Total (million $)	Per Capita ($)
1970	34,061	4,737
1971	36,527	5,016
1972	39,469	5,380
1973	42,906	5,849
1974	46,521	6,342
1975	49,832	6,788
1976	54,082	7,364
1977	58,878	8,019
1978	65,138	8,855
1979	72,196	9,792
1980	80,708	10,941
1981	90,001	12,156
1982	96,898	13,027
1983	103,330P	13,825P

(P)—Preliminary

SOURCE: United States Department of Commerce, Bureau of Economic Analysis.

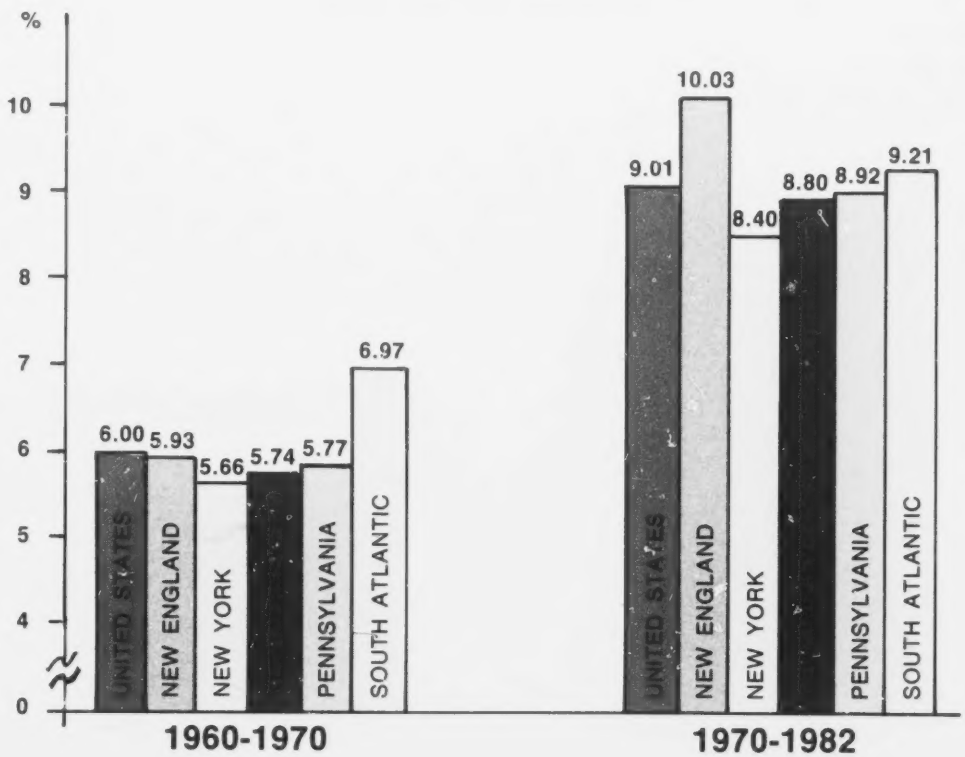
Per capita personal income is the total personal income of residents divided by the resident population. New Jersey's per capita income was $13,825 in 1983, an increase of 192 percent (8.6% per annum) over the 1970 per capita income. In 1983 per capita income for the United States was $11,702, 15.4 percent less than New Jersey's (Table 4.2). During each year of the past two decades, New Jersey's per capita income has been higher than that of any of its surrounding states.

TABLE 4.2
PER CAPITA INCOME
Current Dollars
1970-1982

	1970	1980	1982
United States	3,945	9,511	11,107
New England	4,306	10,086	13,565
New York	4,695	10,252	12,364
New Jersey	4,737	10,941	13,027
Pennsylvania	3,928	9,427	10,947
South Atlantic	3,605	8,763	10,372

SOURCES: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1979* and Chase Econometrics, *RDA*, Fourth Quarter, 1983.

FIGURE 4.1
NOMINAL PER CAPITA INCOME AVERAGE ANNUAL GROWTH RATES
1960-1970 and 1970-1982



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83;* and Chase Econometrics, *RDA*, Fourth Quarter, 1983.

1.1 THE NATIONWIDE TREND

New Jersey's per capita income increased at an average annual rate of 8.80 percent from 1970 to 1982. During that period, New York had the lowest rate of increase (8.40%) in the Middle Atlantic Region. The United States growth rate was 0.21 percentage point higher than New Jersey's. The per capita incomes overall grew more during the 1970's than in the 1960's (Figure 4.1), mainly due to the higher rate of inflation. After adjusting for inflation, real per capita income in New Jersey rose 2.7 percent per annum in the 1960's and 1.4 percent per annum from 1970 to 1982, while in the United States it rose by 3.1 percent and 1.0 percent, respectively. The apparent contradiction between the higher rate of nominal per capita income growth in the United States than in New Jersey during the 1970-82 period is due to higher inflation in the United States.

1.2 Distribution and Growth Within the State

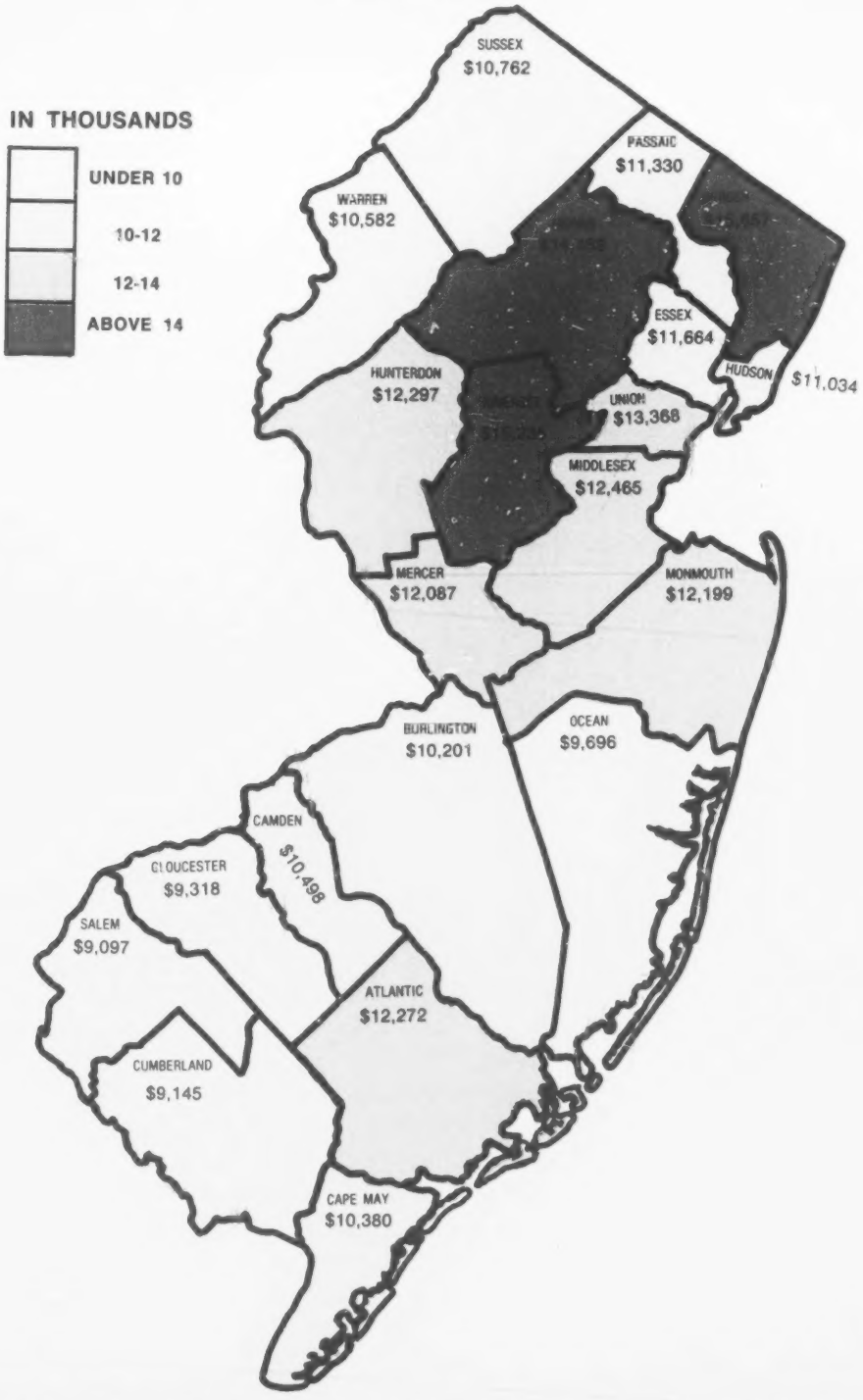
Per capita personal income in New Jersey is not equally distributed throughout the State. In 1981, per capita personal income ranged from a high of $15,857 in Bergen County to a low of $9,145 in Cumberland County (Table 4.3 and Figure 4.2). All of the southern counties, except Atlantic County, had lower per capita personal income levels than the statewide level.

The average annual increase in New Jersey's per capita income from 1970-1981 was 8.9 percent. County average annual increases varied greatly, from a high of 10.7 percent in Atlantic County to a low of 7.6 percent in Salem County.

2. SOURCES OF INCOME

New Jersey's labor and proprietors' income has decreased as a percent of total income over the last twenty years (Figure 4.3). In 1962, net resident labor and proprietors' income in New Jersey was 81.8 percent of total personal income, by 1982 it accounted for 69.6 percent. Property income (rents, dividends, and interest) increased from 11.7 percent in 1962 to 17.4 percent in 1982, an increase of 5.7 percentage points, while the share of transfers (unemployment benefits, social security payments, etc.) doubled from 6.5 percent to 13.0 percent.

FIGURE 4.2
NEW JERSEY PER CAPITA PERSONAL INCOME BY COUNTY, 1981
Current Dollars



SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Personal Income 1969-1980* and *New Jersey Economic Indicators* (various is-

TABLE 4.3
NEW JERSEY PER CAPITA PERSONAL INCOME BY COUNTY
Current Dollars
1950-1981

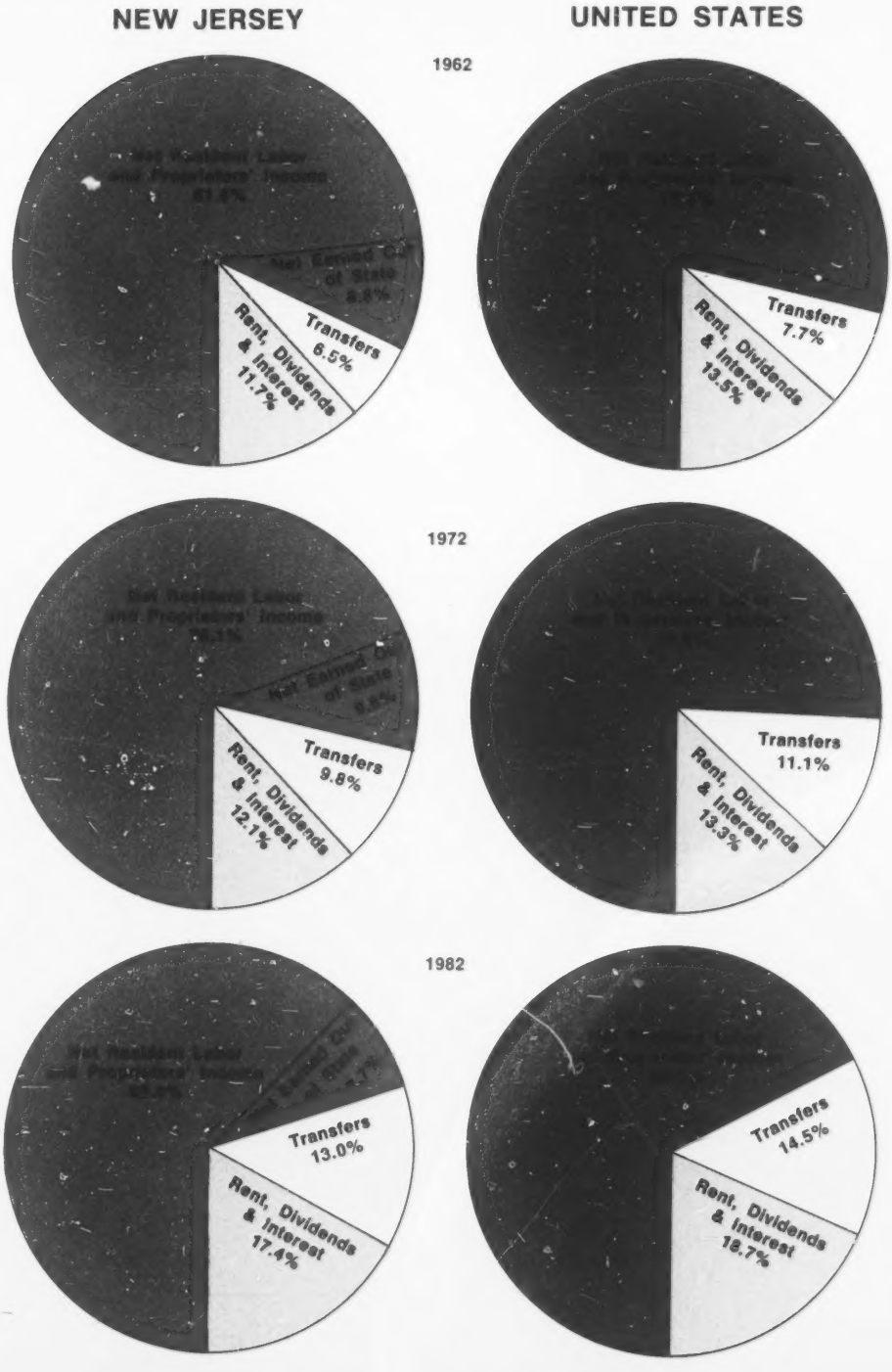
	1950	1959	1970	1981	Average Annual Growth (%) 1970-81
Atlantic	1,440	2,033	4,009	12,272	10.71
Bergen	1,800	3,159	5,898	15,857	9.41
Burlington	1,609	2,644	4,369	10,201	8.01
Camden	1,558	2,334	4,161	10,498	8.78
Cape May	1,266	2,083	3,893	10,380	9.32
Cumberland	1,510	2,184	3,713	9,145	8.54
Essex	1,922	2,714	4,859	11,664	8.29
Gloucester	1,447	2,233	3,661	9,318	8.86
Hudson	1,683	2,357	4,254	11,034	9.05
Hunterdon	1,497	2,501	4,648	12,297	9.25
Mercer	1,791	2,372	4,458	12,087	9.49
Middlesex	1,909	2,663	4,521	12,465	9.66
Monmouth	1,547	2,523	4,532	12,199	9.42
Morris	1,561	2,928	5,273	14,169	9.40
Ocean	1,480	2,528	3,926	9,696	8.57
Passaic	1,915	2,528	4,470	11,330	8.82
Salem	1,972	2,180	4,046	9,097	7.64
Somerset	1,704	3,023	5,423	15,235	9.85
Sussex	1,242	2,351	4,245	10,762	8.82
Union	1,943	3,144	5,487	13,368	8.43
Warren	1,564	2,127	4,090	10,582	9.03
New Jersey	1,753	2,656	4,737	12,156	8.95
United States	1,564	2,167	3,945	10,495	9.30

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Personal Income, 1969-1980 and 1929-1979* (December 1980), *New Jersey Economic Indicators*, June 3, 1983.

In comparing New Jersey's sources of income with the national average, New Jersey has had a higher share of labor and proprietors' income. In 1962, 78.8 percent of the nation's total income came from labor and proprietors' income, while in 1982 this source accounted for 66.8 percent. Transfers increased, as in New Jersey, and property income also increased from 13.5 percent in 1962 to 18.7 percent in 1982, an increase of 5.2 percentage points, essentially the same magnitude as in New Jersey for the same period of time.

Proprietors' income has decreased in the composition of labor and proprietors' income both in New Jersey and the United States. In 1958, New Jersey's proprietors' income was 12.1 percent of total labor and proprietors' income compared to 15.9 percent in the United States (Figure 4.4). By 1983, the share of proprietors' in-

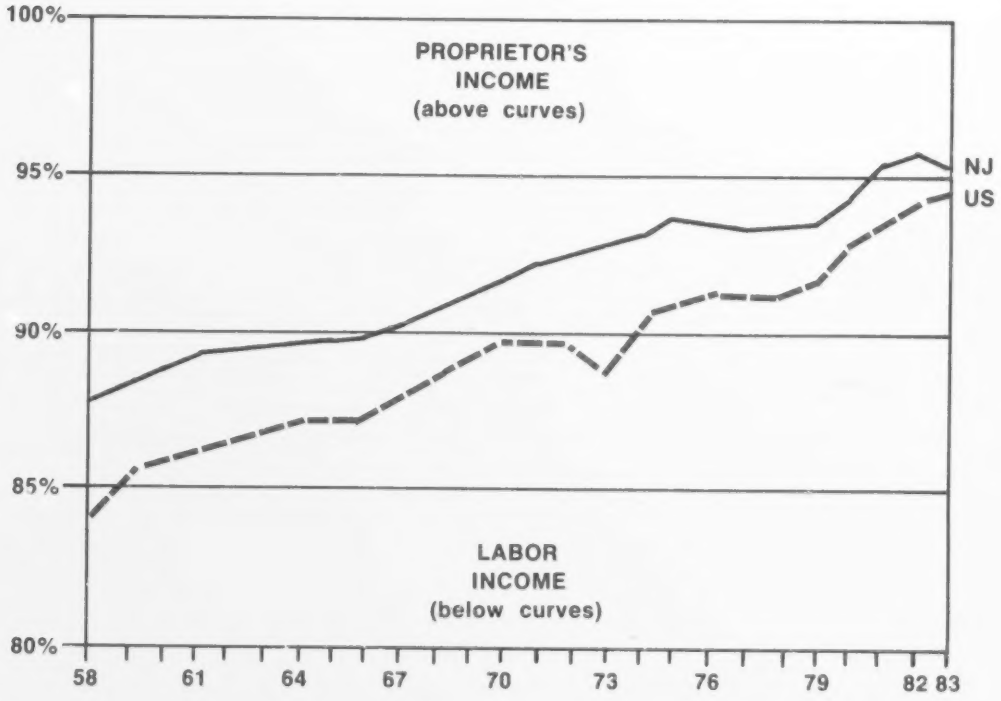
FIGURE 4.3
SOURCES OF RESIDENT PERSONAL INCOME
NEW JERSEY AND UNITED STATES
1962, 1972 and 1982



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis

come was only 4.7 percent in New Jersey and 6.5 percent for the nation as a whole. The share of proprietors' income declined faster during the recession years in the United States as well as in New Jersey.

FIGURE 4.4
COMPOSITION OF LABOR AND PROPRIETORS' INCOME
1958-1983



SOURCE: United States Department of Commerce, Bureau of Economic Analysis.

Differences in the sectoral composition of total employment and total wage and salary income also vary within New Jersey (see Table 4.4). In 1970, the manufacturing sector had 33 percent of total employment and 35.5 percent of total wage and salary income in New Jersey. By 1981 its employment share had declined to 25 percent of the State's total and the income share to 29.1 percent. Since 1970, the employment share of manufacturing declined more than its income share.

The services sector in New Jersey had the largest increase in both employment share and income share. While in 1970 services had 16.0 percent of the State's total employment and 13.1

TABLE 4.4
NEW JERSEY EMPLOYMENT AND WAGE AND SALARY INCOME SHARES BY SECTOR, 1970-1981
Percent

	1970		1981	
	Share of Total Employment*	Share of Total Wage & Salary Income*	Share of Total Employment*	Share of Total Wage & Salary Income*
Agriculture	.8	.2	.7	.2
Government	14.0	15.6	17.0	15.5
Services	16.0	13.1	20.0	19.5
Transportation	7.0	8.3	6.0	8.9
Finance, Insurance & Real Estate	4.0	5.1	5.0	5.2
Wholesale & Retail Trade	20.0	17.0	22.0	17.2
Construction	5.0	6.0	4.0	4.6
Manufacturing	33.0	35.5	25.0	29.1

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators;* United States Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business* (various issues).

percent of the total wage and salary income, by 1981 the employment share of this sector was 20.0% and its income share (19.5%) almost equalled the employment share.

3. INCOME OF FAMILIES

New Jersey's median family income in 1979 was $22,830 (i.e., 50 percent of New Jersey families had incomes below $22,830), the fifth highest in the nation (see Table 4.5). New York and Pennsylvania were twentieth and twenty-first, respectively.

TABLE 4.5
MEDIAN FAMILY INCOME AND RANK*
United States, New Jersey, New York and Pennsylvania

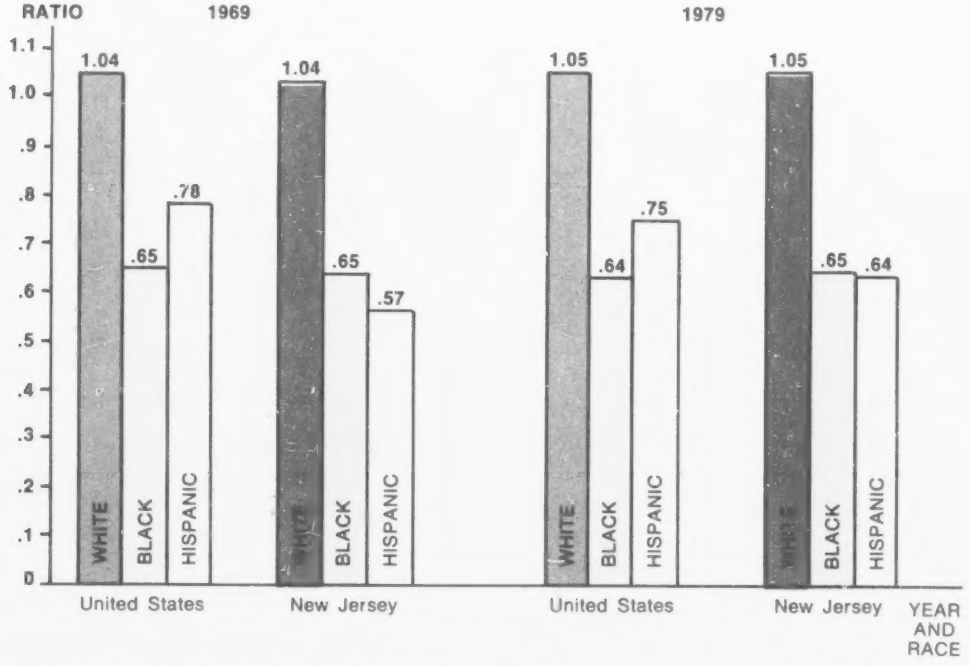
	1959	1969	1979
United States	5,600	9,586	19,908
New Jersey	6,786 (3)	11,403 (4)	22,830 (5)
New York	6,731 (7)	10,609 (11)	20,385 (20)
Pennsylvania	5,719 (21)	9,554 (21)	20,259 (21)

*Ranks are given in the parentheses.

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States* (various years).

The mean (average) family income for minority families is significantly lower than for whites in the nation as a whole; New Jersey also follows this pattern (see Figure 4.5). White families of New Jersey and the United States had mean incomes four percent above the averages for all races in 1969 and five percent above in 1979. The black family's relative mean income level rose, for the nation as a whole, from 65 percent to 69 percent of overall average, while New Jersey's black family relative mean income remained unchanged at the 65 percent level. There was a relative increase in New Jersey's Hispanic family mean income, from 57 percent in 1969 to 64 percent in 1979. In the United States, mean income of the Hispanic families was higher than that of black families; the opposite was true for New Jersey.

FIGURE 4.5
MEAN FAMILY INCOME OF RACIAL GROUPS AS RATIOS TO OVERALL MEANS
1969-1979



SOURCE: United States Department of Commerce, Bureau of the Census, *Characteristics of the Population,* 1970 and 1980.

Table 4.6 shows that there was no significant change in the distribution of income among New Jersey families from 1959 to 1979. While the lower 41 percent of all families shared about 20 percent of total income in 1959, their share declined somewhat by 1979 to about 18 percent.

TABLE 4.6
NEW JERSEY'S FAMILY INCOME DISTRIBUTION
1959 vs. 1979

1959		1979	
Percent of Households*	Share Of Total Family Income	Percent of Households*	Share of Total Family Income
11.41%	2.43%	10.56%	1.75%
27.75	10.86	27.80	9.19
40.56	19.77	41.40	18.27
62.92	39.44	62.21	37.07
77.96	56.43	77.22	54.92
98.29	93.51	97.72	92.17

*In ascending order from lower to higher income.

SOURCE: United States Department of Commerce, Bureau of the Census, *Income of Population in 1959 and 1979.*

4. POVERTY

The percentage of families below the poverty level has decreased in the State and the nation. In 1959, 11.4 percent of New Jersey's families were below the poverty level; by 1979 the proportion decreased to 7.6 percent. The national rate of poverty fell from 21.4 percent in 1959 to 9.6 percent in 1979 (Figure 4.6). Even though New Jersey's poverty rate decreased from 1959 to 1979, it was higher than the 1969 level of 6.1 percent.

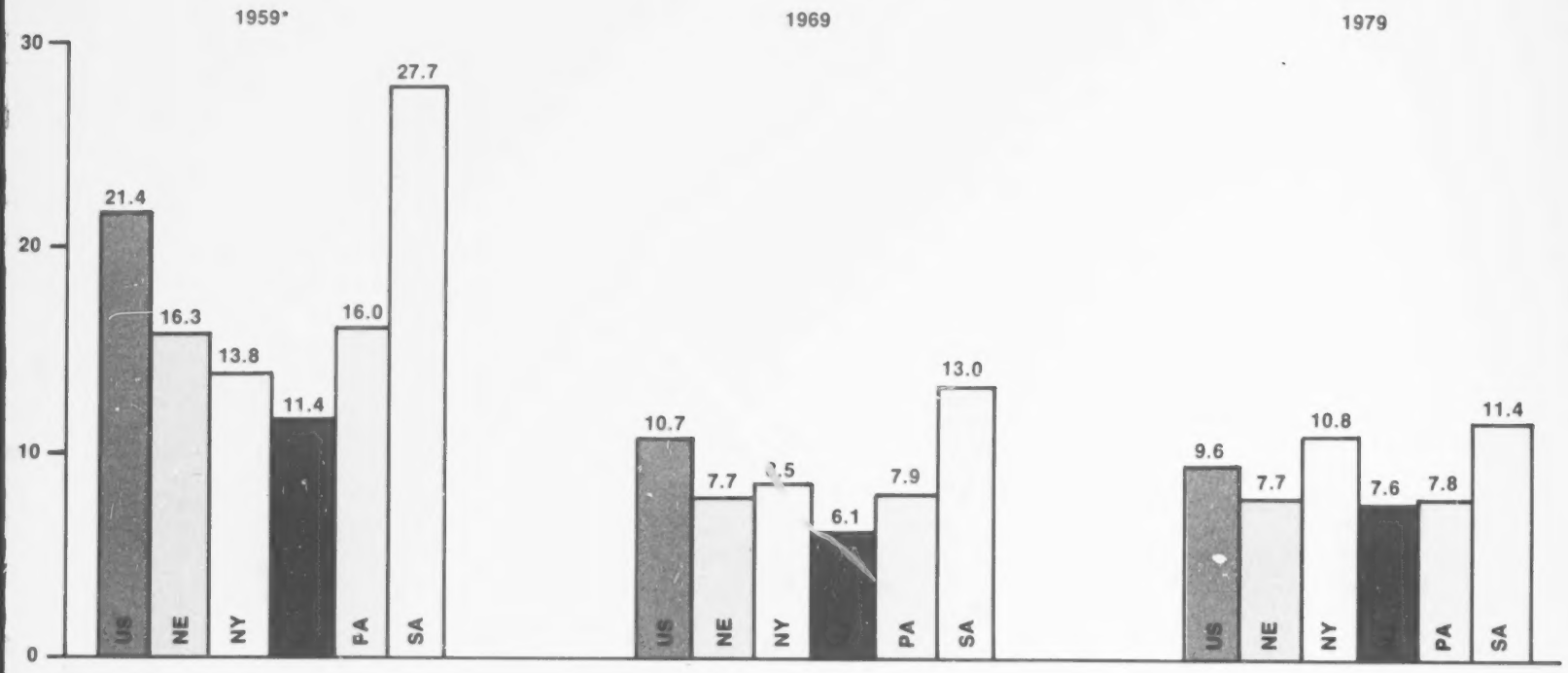
4.1 Minorities

The percentages of persons below poverty level in New Jersey and the nation as a whole are significantly higher for minorities (Figure 4.7) than for whites. In 1969, New Jersey's white poverty rate was 6.4 percent; for blacks it was 22.6 percent and 27.5 percent for persons of Spanish-origin. The national rates were higher than New Jersey's rates for white and black persons with 10.9 percent and 35 percent, respectively, persons of Spanish-origin had a lower rate with 23.5 percent. In 1979, all of the rates for the United States decreased, while the rate for blacks in New Jersey increased to 25.9 percent.

4.2 Senior Citizens

Poverty rates for senior citizens have dropped significantly from 1969 to 1979 (Figure 4.8). In New Jersey the 1969 poverty

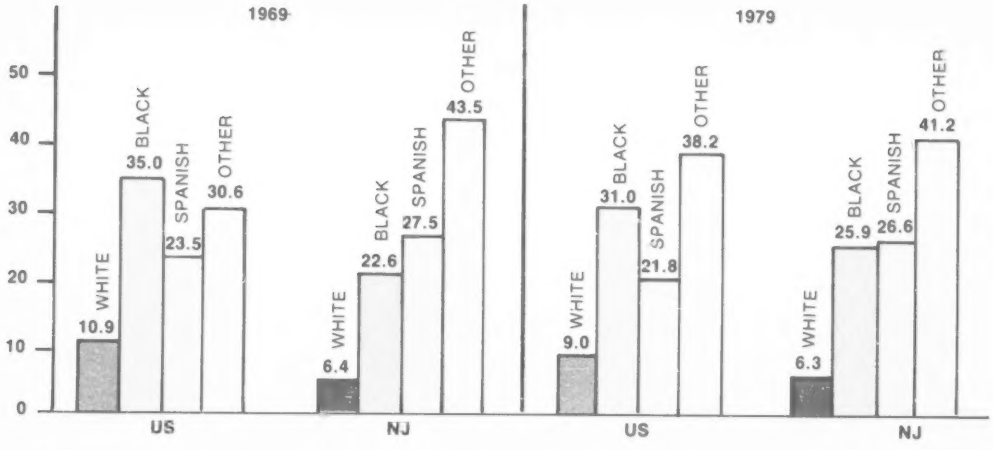
FIGURE 4.6
PERCENT OF FAMILIES BELOW POVERTY LEVEL
1959-1979



*Percent of families with incomes under $3,000.

SOURCE: New Jersey Department of Labor, Division of Planning and Research, Office of Demographics and Economic Analysis, *Income and Poverty in New Jersey;* United States Department of Commerce, Bureau of the Census, *Supplement to the 1960 Census.*

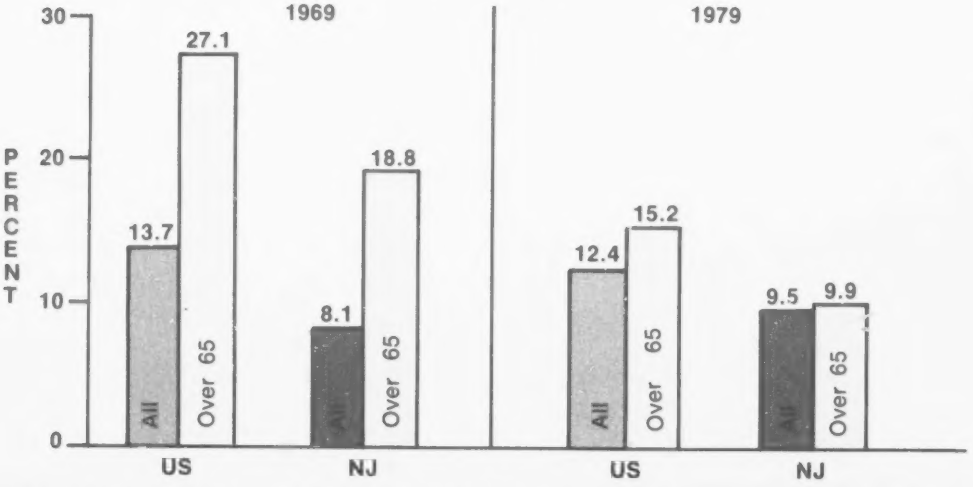
FIGURE 4.7
PERCENT OF PERSONS BELOW POVERTY LEVEL BY RACE
1969-1979



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

rate of persons over 65 was 18.8 percent in comparison with the overall poverty rate of 8.1 percent. By 1979, the New Jersey senior citizen poverty rate was down to 9.9 percent, very close to the overall poverty rate of 9.5 percent. The United States figures also decreased substantially; in 1969 the senior citizens poverty rate was 27.1 percent and 15.2 percent in 1979.

FIGURE 4.8
POVERTY RATES, ALL PERSONS, AND PERSONS OVER 65
1969-1979



SOURCE: *Statistical Abstract of the United States,* United States Department of Commerce,

SUMMARY

Total personal income in New Jersey increased at an 8.9 percent annual rate in the period 1970-1983. Personal income in the State was $13,825; United States personal income per capita was 15.4 percent lower—$11,702. As has long been the case, New Jersey's per person income figure exceeded those of surrounding states.

Most of the 8.6 percent per annum increase in per capita personal income in the State can be attributed to inflation. On the average, real per capita personal income from 1970 to 1982 rose only 1.4 percent per year in the State. But this was significantly greater than the United States' yearly increase of 1.0 percent and was greater than the growth of any of the surrounding states.

Median family income was $22,830 in 1979, fifth highest in the 50 states. This compares to a United States' family income of $19,908 and New York and Pennsylvania family incomes of $20,385 and $20,259, respectively.

Incomes of black families were only 65 percent of the overall average family income in 1979. Hispanics had an average family income of 64 percent of the overall average.

The percentage of New Jersey families below the poverty level decreased from 11.4 percent in 1959 to 7.6 percent in 1979. However, the 1979 level was up from the 1969 level of 6.1 percent.

V. AGRICULTURE & NATURAL RESOURCE INDUSTRIES

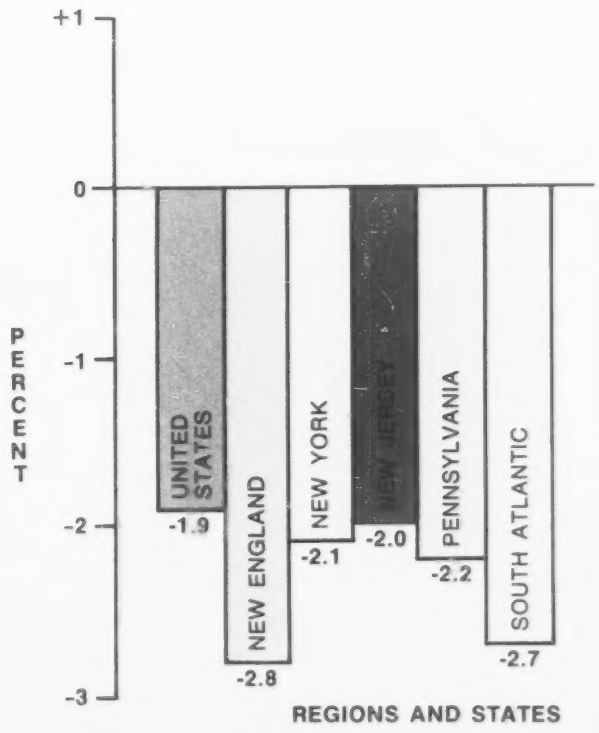
1. AGRICULTURE

With receipts of nearly $479 million and total employment of 21,000 in 1981, New Jersey's agricultural sector plays an important part in the State's economy. Nicknamed The Garden State, New Jersey is a leading supplier of many crop and livestock products.

1.1 Number and Size of Farms

While the number of farms decreased nationally by more than one percent during 1981, the number of New Jersey farms remained unchanged. Over the longer period 1950-1982, the rate of decrease in New Jersey has slightly exceeded that of the United States (-2.0% per annum vs. -1.9%, Figure 5.1).

FIGURE 5.1
NUMBER OF FARMS, AVERAGE ANNUAL RATE OF CHANGE
1959-1982



SOURCE: New Jeresy Department of Agriculture, New Jersey Crop Reporting Service, *Farm Numbers*, various dates.

With 9,500 farms, New Jersey contains over one million acres of farmland. The average size of a New Jersey farm is only 108 acres, compared with other states whose farms are considerably larger (Table 5.1).

TABLE 5.1
NUMBER AND AVERAGE SIZE OF FARMS
United States and Regions, 1982*

	Number of Farms	Farmland (thousand acres)	Average Size of Farms (acres)
United States	2,400,260	1,038,730	432.76
New England	28,950	5,000	172.71
New York	50,000	9,500	190.00
New Jersey	9,500	1,030	108.42
Pennsylvania	60,000	8,800	146.67
South Atlantic	322,000	62,910	195.37

*Figures as of second quarter 1982.

SOURCE: New Jersey Department of Agriculture, New Jersey Crop Reporting Service, *Farm Numbers*, August 1982.

Within the State, Burlington County with 129,747 acres and Hunterdon with 122,060 acres, together encompass nearly a quarter of New Jersey's total farmland (Table 5.2).

As a percent of land devoted to farms, the western counties of Warren and Hunterdon in the North, and Gloucester and Salem in the South, each devote well above 30 percent of their total acreage to farmland (Figure 5.2).

1.2 Farm Employment

In New Jersey, the total number of farm workers (21,000) in 1981 was slightly less than half of what it was (44,000) in 1960. Farm employment declined almost continously until 1970 (Figure 5.3), at an average annual rate of -5.1 percent between 1955 and 1970. Since 1970, however, farm employment in New Jersey has remained around the 20,000 level.

1.3 Crops

Crop marketings account for nearly three quarters of New Jersey's farm receipts. Ranked second in the nation in blueberries and third in spinach, summer potatoes and cranberries (Table 5.3), the State's crop receipts for 1981 exceeded $353 million.

TABLE 5.2
NEW JERSEY COUNTY FARM DATA, 1978

County	Number of Farms	Total Acres	Total Cropland	Percent Cropland	Total Woodland*	Percent Woodland
Atlantic	404	30,986	18,162	58.6	7,861	25.4
Bergen	144	3,866	1,608	41.6	1,292	33.4
Burlington	717	129,747	81,645	62.9	34,306	26.4
Camden	160	10,479	8,524	81.3	1,054	10.1
Cape May	108	15,013	9,254	61.6	4,071	27.1
Cumberland	610	83,544	62,384	74.7	10,132	12.1
Essex	38	1,868	1,173	62.8	217	11.6
Gloucester	701	69,661	56,458	81.0	8,186	11.8
Hudson	2	(D)	(D)	(D)	(D)	(D)
Hunterdon	1,104	122,060	92,569	75.8	16,806	13.8
Mercer	297	42,513	35,190	82.8	3,612	8.5
Middlesex	268	33,452	27,321	81.7	4,564	13.6
Monmouth	732	72,315	56,281	77.8	8,923	12.3
Morris	355	31,797	19,043	59.9	8,691	27.3
Ocean	173	11,530	5,998	52.0	4,022	34.9
Passaic	49	1,213	495	40.8	423	34.9
Salem	613	101,903	82,001	80.5	9,142	9.0
Somerset	391	54,034	39,136	72.4	8,454	15.6
Sussex	539	84,107	47,516	56.5	19,488	23.2
Union	35	(D)	(D)	(D)	85	(D)
Warren	544	86,650	63,467	73.2	13,665	15.8
STATE**	9,895	1,049,435	750,594	71.5	179,363	17.1

*Woodland pastured and woodland not pastured.
**County survey numbers do not sum to total which was obtained in a separate enumeration.
(D)—Not disclosed.

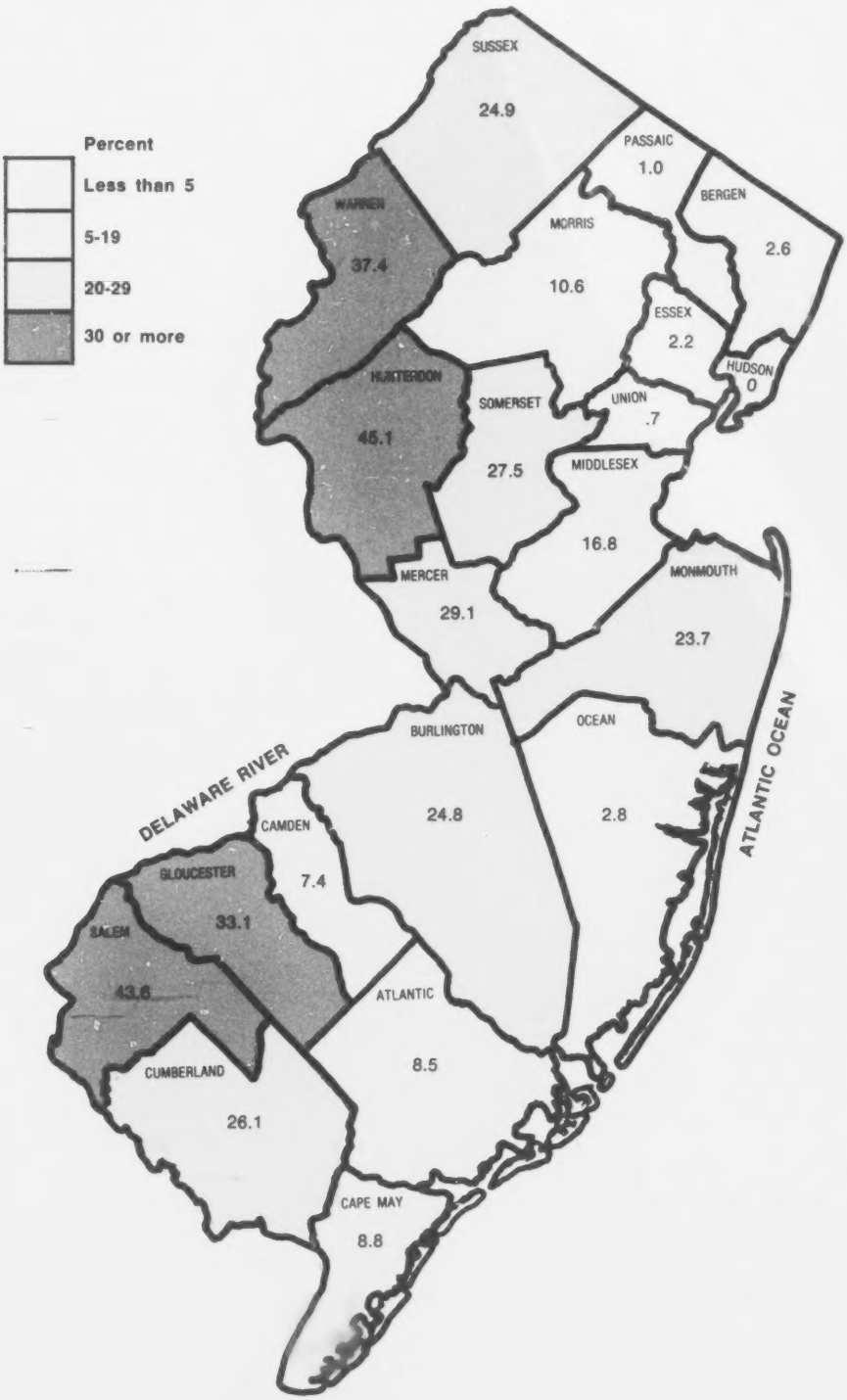
SOURCE: United States Department of Commerce, Bureau of the Census, *United States Agricultural Census, 1978.*

TABLE 5.3
NEW JERSEY'S RANKING IN THE UNITED STATES FOR SELECTED CROPS, 1981

Vegetables Production	Ranking
Asparagus	4
Green Peppers	4
Spinach	3
Tomatoes (fresh market)	4
Tomatoes (processing)	4
Fruits and Berry Production	
Peaches	4
Blueberries (cultivated)	2
Cranberries	3
Potatoes, Summer	3

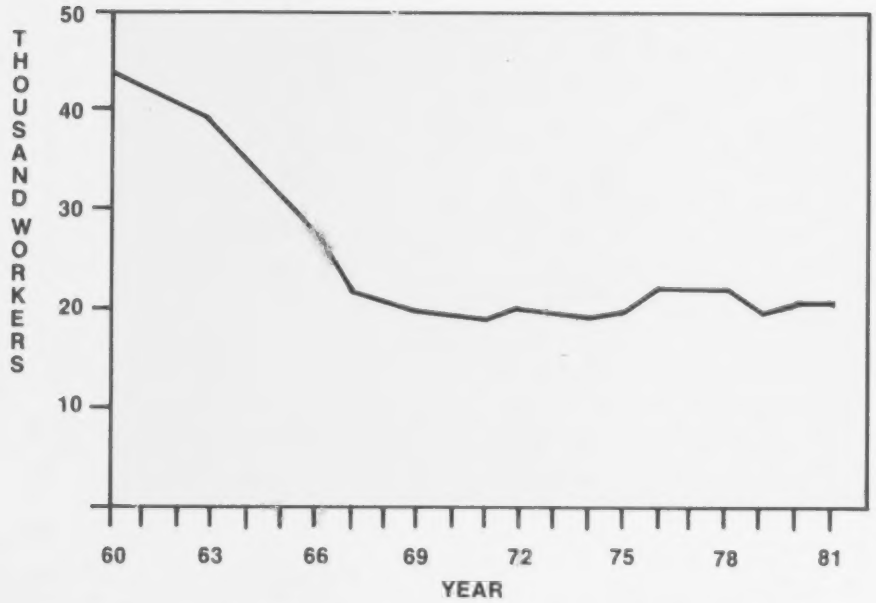
SOURCE: New Jersey Department of Agriculture, Crop Reporting Service, *New Jersey Agricultural Statistics, 1982.*

FIGURE 5.2
PERCENT OF NEW JERSEY COUNTY LAND IN FARMS, 1978



SOURCE: United States Department of Commerce, Bureau of the Census, *United States Agricultural Census, 1978.*

FIGURE 5.3
NEW JERSEY FARM EMPLOYMENT
1960-1981
Family and Hired



SOURCE: New Jersey Department of Agriculture, New Jersey Crop Reporting Service, *New Jersey Agricultural Statistics.*

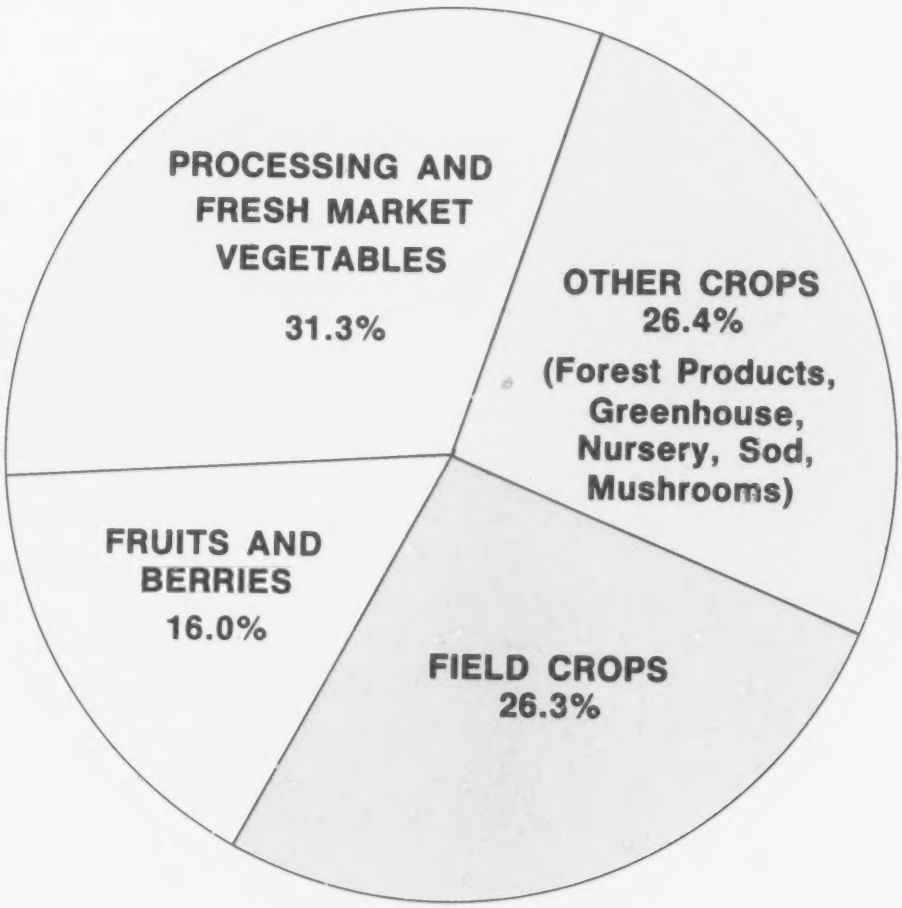
Vegetables, including those earmarked for processing were responsible for over 31 percent of all crop receipts, while fruits and berries (16%) and field crops (26.3%) also contributed significantly to the State's crop receipts (Figure 5.4).

1.4 Livestock and Livestock Products

Slightly more than a quarter of New Jersey's 1981 farm marketing receipts originated from livestock and livestock products. Dairy products account for 55.3 percent of the State's $126 million in livestock-related receipts. Other principal products include eggs and poultry with 15.2 percent, and horses with 15.5 percent (Figure 5.5).

The number of individual livestock marketings has declined dramatically for a number of years. Recently, the largest decrease was in the number of chickens marketed, a 42.9 percent drop between 1978 and 1981. Although marketing decreases have occurred in cattle, milk and eggs as well as chickens, increases have been realized in turkey, sheep and pig marketing (Table 5.4).

FIGURE 5.4
DISTRIBUTION OF CASH RECEIPTS FROM NEW JERSEY CROPS, 1981

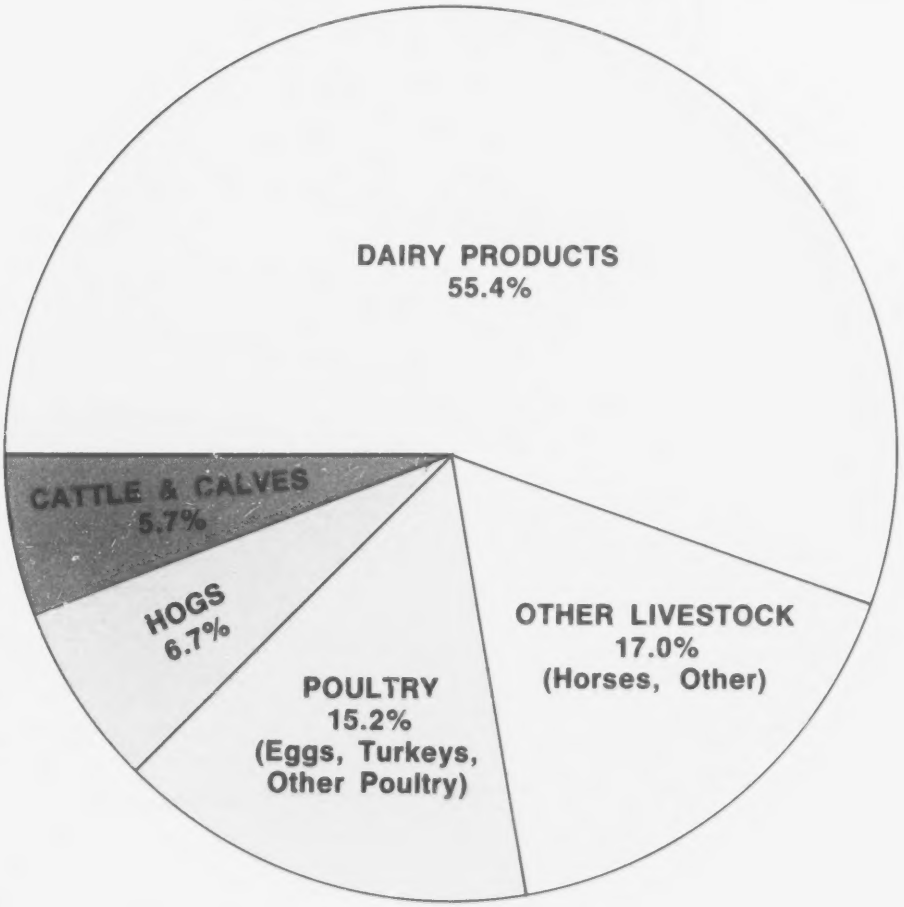


Cash receipts from New Jersey crops:

Total Cash Receipts	**$353,081,000**
All Field Crops	92,833,000
All Market Vegetables	94,936,000
All Processing Vegetables	15,239,000
All Fruits and Berries	56,546,000
Forest Products	9,300,000
Greenhouse, Nursery & Sod	83,800,000
Mushrooms	427,000

SOURCE: New Jersey Department of Agriculture, New Jersey Crop Reporting Service, *New Jersey Agricultural Statistics, 1982.*

FIGURE 5.5
DISTRIBUTION OF CASH RECEIPTS FROM NEW JERSEY LIVESTOCK AND LIVESTOCK PRODUCTS, 1981



Cash receipts from New Jersey livestock and livestock products:

Total Cash Receipts	**$125,737,000**
Eggs	15,895,000
Turkeys	1,038,000
Other Poultry	2,217,000
Dairy Products	69,484,000
Cattle & Calves	7,220,000
Hogs	8,430,000
Horses	19,508,000
Other Livestock	1,945,000

SOURCE: New Jersey Department of Agriculture, New Jersey Crop Reporting Service, *New Jersey Agricultural Statistics, 1982.*

TABLE 5.4
MARKETING OF LIVESTOCK AND LIVESTOCK PRODUCTS IN NEW JERSEY*
1978 and 1981

	1978	1981	Percent Change 1978-1981
Cattle and Calves (lbs.)	55,000	46,000	-16.4
Hogs and Pigs (lbs.)	89,000	95,000	+6.7
Sheep and Lambs (lbs.)	5,200	5,400	+3.8
Milk (million lbs)	514	484	-5.8
Eggs (million)	374	289	-22.7
Chickens (lbs.)	1,400,000	800,000	-42.9
Turkeys (lbs.)	58,000	70,000	+20.7

SOURCE: New Jersey Department of Agriculture, Crop Reporting Service.

2. FISHING

Fishing is another of New Jersey's major natural resource industries. With 130 miles of seacoast, New Jersey has one of the highest seacoast to total land area ratios in the country (Table 5.5). In addition, inland water resources make up 4.0 percent of New Jersey's total land area, well above the national figure of 2.2 percent and higher than either New York (3.5%) or Pennsylvania (.8%).

TABLE 5.5
LAND AREA AND COASTLINE
United States and Selected States, 1980

	Total Land Area (square mile)	General Coastline (miles)	Ratio Seacoast to Land Area
United States	3,539,289	12,383	0.0035
Maine	30,995	228	0.0074
Massachusetts	7,824	192	0.0245
New York	47,377	127	0.0027
New Jersey	7,468	130	0.0174
Delaware	1,932	28	0.0145
Maryland	9,837	31	0.0032

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

2.1 Commercial Fishing Catch

New Jersey's 1980 fishing catch of 201 million pounds (worth $50 million) was higher than any neighboring state (Table 5.6). New Jersey's fishing catch (measured by weight) has declined dramatically since 1960 following a national trend.

TABLE 5.6
COMMERCIAL FISHING CATCH
New Jersey and Neighboring States*
1960 and 1980

	Catch (million lbs.)	Value ($ million)	Catch (million lbs.)	Value ($ million)
Delaware	284	3	4	2
Maryland	69	14	80	45
New Jersey	374	10	201	50
New York	126	9	39	45

*Comparable statistics are not available for Pennsylvania.

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

Accounting for almost 54 percent of the State's total catch, clams are New Jersey's largest catch. All species of clams are included in this category which is measured by the weight of the meat alone. Other major catches include flounder, mackerel, scup-porgy, and squid (Table 5.7). In all, New Jersey's 1982 catch was over 90 million pounds and had a dock-value of over $45 million.

TABLE 5.7
NEW JERSEY FISHING CATCH, 1982

	Catch (lbs.)	Dock Value ($)
Striped Bass	8,249	13,231
Bluefish	1,961,397	467,441
Butter Fish	370,400	104,746
Clams, All Species (lbs. of meat)	48,423,318	21,269,499
Crabs, All Species	932,291	320,011
Flounder, All Species	5,256,380	3,496,801
Hake, All Species	941,208	139,651
Lobster	848,359	2,203,513
Mackerel, All Species	3,594,356	330,460
Menhaden (for bait)	1,662,730	126,519
Oysters	642,842	1,069,911
Scallops	1,310,977	4,992,450
Scup-Porgy	3,755,683	1,661,789
Squid	5,668,229	847,385
Tilefish	2,600,705	2,872,803
Tuna	669,392	439,822
Weakfish (seatrout)	2,117,347	720,783
Whiting	7,083,878	1,880,531
Other	2,340,781	2,049,134
TOTAL	90,188,522	45,006,480

SOURCE: National Marine Fishery Service, United States National Oceanic and Atmospheric Administration.

The 1982 catch showed a sharp decline from previous years because a company which accounted for most of menhaden catch temporarily closed down to allow a period of natural growth of menhaden stock. It is not clear, however, whether the previous level of about 100 million pounds will ever be reattained.

TABLE 5.8
FISHING INDUSTRY PLANTS
Middle Atlantic Region, 1977

	Processing		Wholesale	
	Plants	Employment	Plants	Employment
New York	38	805	214	1,830
New Jersey	40	1,519	66	297
Pennsylvania	15	774	19	234

SOURCE: U.S Department of Commerce, National Oceanic and Asmospheric Administration.

3. FORESTS

Approximately 40 percent of all New Jersey land is forest, despite the state's position as a densely-populated, major industrial state. New York and Pennsylvania have comparatively greater proportions of forest land with 56 and 58 percent, respectively (Table 5.9).

TABLE 5.9
LAND DEVOTED TO FORESTS
United States and Mid-Atlantic States

	Total Land (000 acres)	Forest Land (000 acres)	Percent Forest Land
United States	2,271,343	736,622	32
New York	30,681	17,218	56
New Jersey	4,818	1,928	40
Pennsylvania	28,804	16,826	58

SOURCE*: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States 1982-83.*

3.1 The Timber Industry

Of New Jersey's almost two million acres of forest land, 96 percent is commercial timberland. This is substantially above the proportion for the United States and other Mid-Atlantic states (Table 5.10). Privately-owned timberlands account for 83 percent of the State's commercial timberlands. In 1977, New Jersey's timber industry produced 3,127 million board feet of saw timber, a yield of 1,684 board feet per acre. The State's yield per acre is lower than the national yield of 5,345 board feet per acre and those of neighboring states (1,832 in New York and 2,151 in Pennsylvania).

TABLE 5.10
COMMERCIAL FORESTLAND
United States and Mid-Atlantic States, 1977

	Forestland (000 acres)			Saw Timber Net Volume Total (million board feet) [a]
	Total	Commercial Timberland	Privately Owned	
United States	726,558	482,486	46,764	2,578,940
New York	17,218	14,243	13,351	26,088
New Jersey	1,928	1,857	1,538	3,127
Pennsylvania	16,826	15,925	12,453	34,251

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

3.2 Forestland Preservation

Woodland is important not only for its value as timber, but also for its ability to control water runoff. Forestland and other natural areas are also desirable for their beauty and recreational potential. Recognizing the importance of its land resources, the State government has endeavored to preserve certain areas of the State through purchase and regulation. The Coastal Area Facilities Review Act (CAFRA) of 1973 regulates more than 1,700 square miles of New Jersey's coastal areas. Residential and industrial developments are subjected to intense State government review in the coastal zone, and projects deemed hazardous to the shore environment are rejected. In 1980, a plan was also developed to preserve and protect over 1,500 square miles in the ecologically sensitive Pine Barrens of South Jersey (Figure 5.6).

FIGURE 5.6
NEW JERSEY PINELANDS PRESERVATION AND PROTECTION AREA

SOURCE: New Jersey Pinelands Commission.

3.3 Parks and Recreation Areas

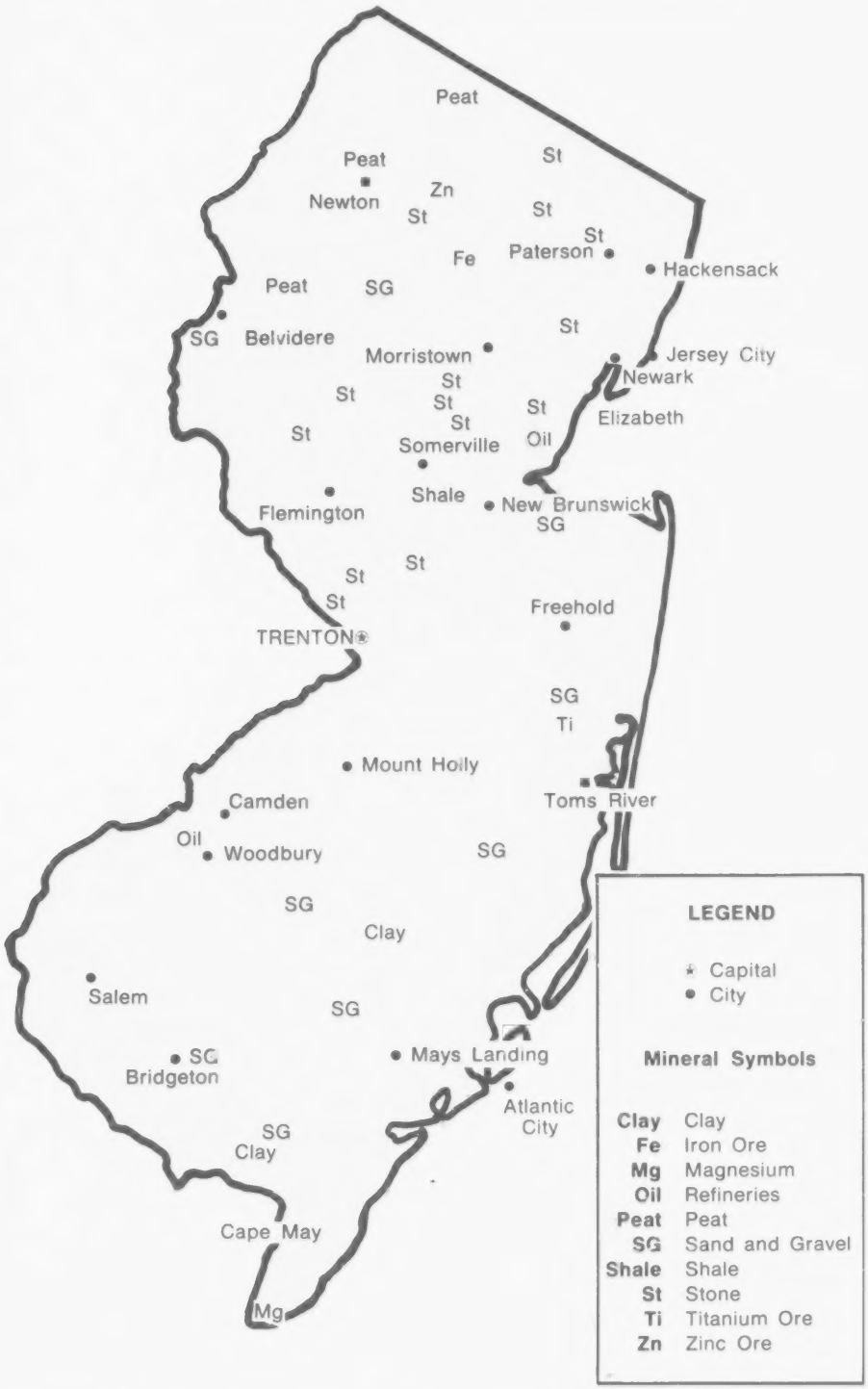
In 1981, New Jersey's 272 thousand acres of State parks and recreation areas were visited by over eight million people (Table 5.11). New Jersey's state forests, parks and recreational areas account for nearly six percent of the State's land, well above the national average of 0.4 percent.

TABLE 5.11
STATE PARKS AND RECREATION AREAS
United States and Mid-Atlantic Region

	Acreage (000)	Visitors (000)
United States	9,326	618,080
New York	256	47,500
New Jersey	272	8,083
Pennsylvania	279	38,038

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 5.7
NEW JERSEY MINERAL DISTRIBUTION



SOURCE: U.S. Department of Interior, Bureau of Mines in cooperation with N.J. Department of Environmental Protection, Bureau of Geology and Topology, *Minerals in the Economy of New Jersey, 1979.*

4. MINERALS

New Jersey's mining industry extracted over $149 million worth of minerals from the earth in 1980. This is 67 percent higher than the 1970 value (Table 5.12). However, this increase is significantly less than the increase in the producer price index for nonmetalic mineral products over the same period (151%), a result of the substantial decline in the quantities extracted.

TABLE 5.12
MINERAL PRODUCTION
United States and Region, 1970 and 1980

	Value ($ million)		Percent
	1970	1980	Increase
United States	28,513	143,855	404.52
New England	143	268	87.41
New York	300	559	86.33
New Jersey	89	149	67.42
Pennsylvania	1,096	3,736	240.88
South Atlantic	2,406	10,527	337.53

SOURCE: United States Department of Commerce, Bureau of the Census. *Statistical Abstract of the United States, 1982-83.*

New Jersey's mineral production has decreased significantly in the past few years (Table 5.13). With only one zinc mine in the State, the quantity produced has been cut in half since 1978 when it was 32 million short tons, or 29 metric tons.

Mineral resources are spread throughout New Jersey (Figure 5.7). The high quality sand and gravel beds of southern New Jersey, especially in Cumberland County, are a major factor in the State's glass production. Cumberland County also contributes significantly to the State's clay production, as do Middlesex and Somerset counties. Cape May extracts magnesium compounds from seawater. The single zinc mine is located in Sussex County. Stone is mostly found in the quarries of Somerset and Mercer Counties.

TABLE 5.13
NEW JERSEY'S MINERAL PRODUCTION
1978 and 1982

Minerals	Quantity (thousand short tons) 1978	1982
Clays	96	110
Gemstones	(n.a.)	(n.a.)
Peat	26	24
Sand and Gravel	10,000	6,650
Crushed Stone	13,300	10,050
Zinc	32,285	15,822

SOURCE: United States Department of Interior, in cooperation with the New Jersey Department of Environmental Protection, Bureau of Geology and Topology, *Minerals in the Economy of New Jersey,* 1979 and 1983.

SUMMARY

New Jersey has 9,500 farms covering over one million acres of land. Of this total, over 179,000 acres is woodland.

New Jersey's farm production ranked near the top of the nation in several crops. The $353 million total crop receipts in 1981 included blueberries (ranked second), spinach, summer potatoes and cranberries (ranked third) and tomatoes (ranked fourth).

Livestock and livestock products yielded nearly $126 million in 1981, with dairy products accounting for 55 percent of the total.

In 1980, New Jersey's commercial fishing catch totaled 201 million pounds valued at $50 million, exceeding the totals in neighboring states. Clams were the major catch, representing about 54 percent of the total.

Forests cover about 40 percent of the State's land area. Part is commercial timberland; in 1977 the State produced 3,127 million board feet of saw timber from this acreage.

Approximately $149 million worth of minerals were extracted from the State in 1980. Crushed stone, zinc and sand and gravel were the major extractions.

VI. CONSTRUCTION AND MANUFACTURING

Construction and manufacturing together form the backbone of New Jersey's goods-producing sector. These industries employ over 900,000 workers and in 1980 produced goods valued at over $70 billion.

Manufacturing has traditionally been a leading sector in the New Jersey economy. An important participant in the early years of industrial development in the United States, New Jersey developed a highly diversified manufacturing sector, and many new products and technological advances originated in the State. New Jersey continues to lead the nation in many areas of manufacturing—in chemicals, pharmaceuticals, electronics, machinery instruments, printing and food products. This Chapter focuses on the manufacturing and construction sector's contribution to the State's economy in recent years. It highlights new developments and compares them with national trends and also compares New Jersey industries with those of neighboring states.

1. CONSTRUCTION

1.1 Construction Establishments and Receipts

New Jersey's 32,900 construction establishments in 1977 had receipts of $6,158 million, of which $5,656 million were received by New Jersey's 15,400 payroll establishments. With 115,000 employees, New Jersey's per-employee receipts were $49,183—lagging behind the United States and neighboring New York (Table 6.1). In contrast, receipts per employee in New Jersey were higher in 1972 than the national figure.

TABLE 6.1
CONSTRUCTION ESTABLISHMENTS EMPLOYEES AND RECEIPTS
Regions and States, 1977

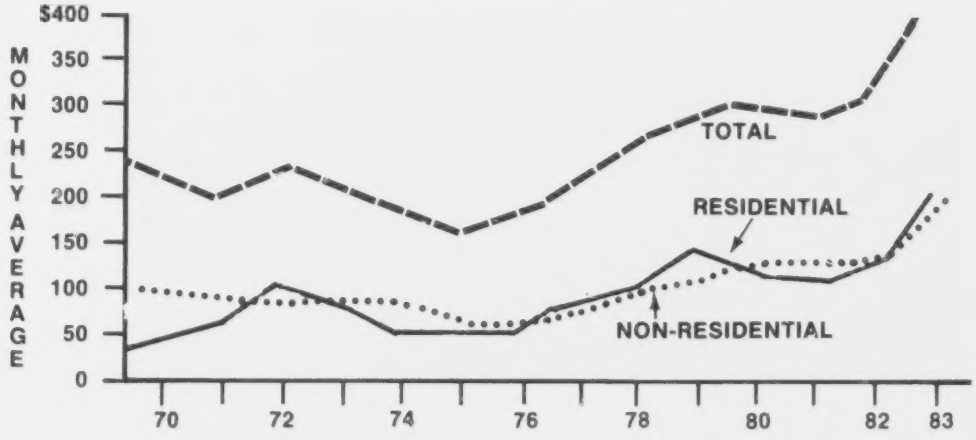
	All Establishments		Establishments with Payrolls			
	Number (000)	Receipts ($ million)	Number (000)	Employees (000)	Receipts ($ million)	Receipts Per Employee
United States	1200.4	$244,816	480.0	4,273	$224,665	52,578
New England	72.4	10,432	29.7	200	8,747	43,735
New York	62.8	11,647	27.1	206	10,765	52,257
New Jersey	32.9	6,158	15.4	115	5,656	49,183
Pennsylvania	57.7	11,451	24.3	217	10,606	48,876
South Atlantic	188.8	37,646	82.3	781	34,914	44,704

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

1.2 Construction Contracts

The number of construction contracts awarded in New Jersey has fluctuated considerably over the past decade. Since 1970 the monthly average value of contracts awarded has ranged from $163 million in 1975 to $468 million in 1983 (Figure 6.1).

FIGURE 6.1
CONSTRUCTION CONTRACTS AWARDED, NEW JERSEY, 1970-1983
(millions of current dollars)



SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

1.3 Construction Employment and Unemployment

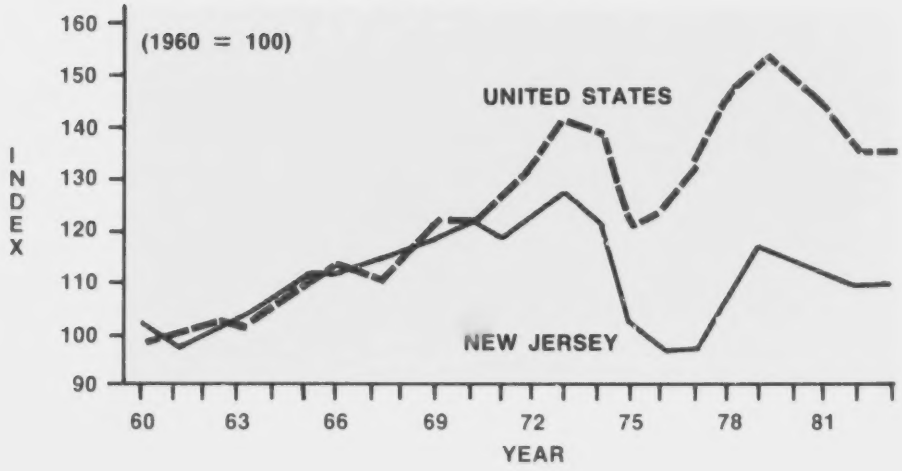
Whereas between 1960 and 1970 New Jersey's construction employment rose every year, excluding a slight decline in 1963, employment between 1970 and 1982 suffered many short-term fluctuations with an overall loss (Figure 6.2). While during the 1960's New Jersey's employment in construction grew at a rate similar to that of the United States; subsequent to 1970 New Jersey's construction employment declined considerably in contrast to positive growth in the United States (Figure 6.2 and Table 6.2).

TABLE 6.2
AVERAGE ANNUAL GROWTH IN CONSTRUCTION EMPLOYMENT
(percent)

	1960-1970	1970-1983
United States	2.1	0.8
New Jersey	2.0	-0.9

SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earning;* and New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

FIGURE 6.2
INDEX OF CONSTRUCTION EMPLOYMENT
New Jersey and United States



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings;* and New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

The unemployment rate for New Jersey's construction industry has historically been well above the total insured unemployment rate. As Figure 6.3 depicts, between 1970 and 1983, the construction unemployment rate averaged six percentage points above the "all sector" figures, with a 9.8 point spread in 1975. During the recession, in 1975 21,200 construction workers were without jobs compared to only 9,400 in 1970 and 11,800 in 1983 (Figure 6.3 and Table 6.3).

TABLE 6.3
INSURED* UNEMPLOYMENT IN CONSTRUCTION
1970-1983 (monthly averages)

Year	Unemployed	Year	Unemployed
1970	9,400	1977	14,000
1971	13,000	1978	12,000
1972	12,900	1979	11,100
1973	12,000	1980	13,900
1974	18,400	1981	12,400
1975	21,200	1982	14,000
1976	17,000	1983	11,800

*Covered by unemployment insurance.

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various years).

FIGURE 6.3
NEW JERSEY INSURED UNEMPLOYMENT RATES
1970-1982

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various years).

1.4 Housing Activity

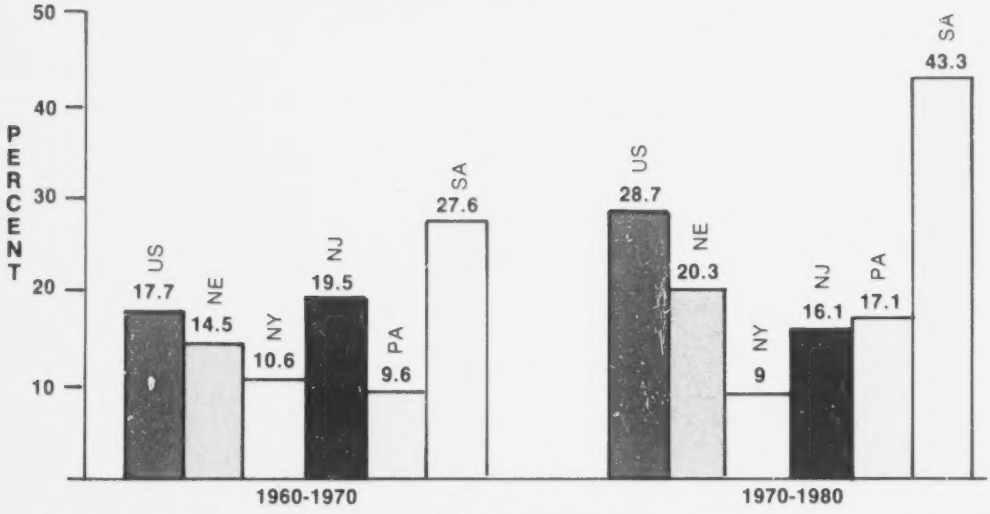
Housing stock in New Jersey rose 16.1 percent from 1970 to 1980, while between 1960 and 1970 it had risen 19.5 percent. New Jersey, which had a higher rate of growth in housing stock than the United States between 1960 and 1970, had a much lower rate from 1970 to 1980 (Table 6.4 and Figure 6.4). Both New York and New Jersey had less growth in housing stock during the seventies than in the sixties; while the United States had higher rates of growth.

TABLE 6.4
TOTAL HOUSING STOCK
Number of Units
(000)

	1960	1970	1980
United States	58,326	68,679	88,411
New England	3,522	4,031	4,850
New York	5,696	6,299	6,868
New Jersey	1,999	2,388	2,772
Pennsylvania	3,582	3,925	4,596
South Atlantic	8,033	10,252	14,692

SOURCE: United States Department of Commerce, Bureau of the Census, *Census of Population and Housing, 1980, Supplementary Report.*

FIGURE 6.4
PERCENTAGE INCREASE IN HOUSING STOCK
United States and Regions



SOURCE: United States Department of Commerce, Bureau of the Census, *Census of Population and Housing, 1980, Supplementary Report.*

Growth of housing varied from county to county between 1970 and 1980. The largest increase appeared in southern New Jersey—in Ocean, Burlington, Cape May and Gloucester Counties and in the western counties of Sussex and Hunterdon (Table 6.5). Essex and Bergen Counties have the largest housing stocks with 11.44 and 11.07 percent of the State's total, respectively. Salem with 0.8 percent and Hunterdon with 1.08 percent of the State's housing stock are at the lower end of the scale among New Jersey counties (Figure 6.5 and 6.6).

Since 1960 the number of housing units authorized each year has fluctuated around a downward trend (Figure 6.7). Whereas in 1960, the total number of housing permits authorized in New Jersey was 41,166 (40,103 private and 1,063 public), in 1982 only 21,404 (21,201 private and 203 public) permits were issued. The greatest number of permits issued appeared 1964 and 1972 and nearby periods. The negative trend in the 1970's can be attributed to the slowdown in population growth (see Chapter II) and higher mortgage interest rates.

TABLE 6.5
NEW JERSEY HOUSING STOCK BY COUNTY
1970 and 1980

	Number of Units		Percent Change
	1970	1980	1970-1980
State Total	2,387,915	2,772,149	16.1
Atlantic	73,848	89,342	21.0
Bergen	283,666	306,774	8.1
Burlington	88,157	121,231	37.5
Camden	143,244	173,653	21.2
Cape May	53,152	72,107	35.7
Cumberland	40,005	47,345	18.4
Essex	311,615	317,230	1.8
Gloucester	51,708	69,113	33.7
Hudson	214,749	221,276	3.0
Hunterdon	22,267	30,029	34.9
Mercer	96,430	111,610	15.7
Middlesex	171,709	203,418	18.5
Monmouth	149,920	185,770	23.9
Morris	116,007	137,992	19.0
Ocean	110,311	173,532	57.3
Passaic	152,764	159,585	4.5
Salem	19,598	24,165	23.3
Somerset	58,598	69,774	19.7
Sussex	31,218	43,869	40.5
Union	174,328	182,835	4.9
Warren	24,907	31,499	26.5

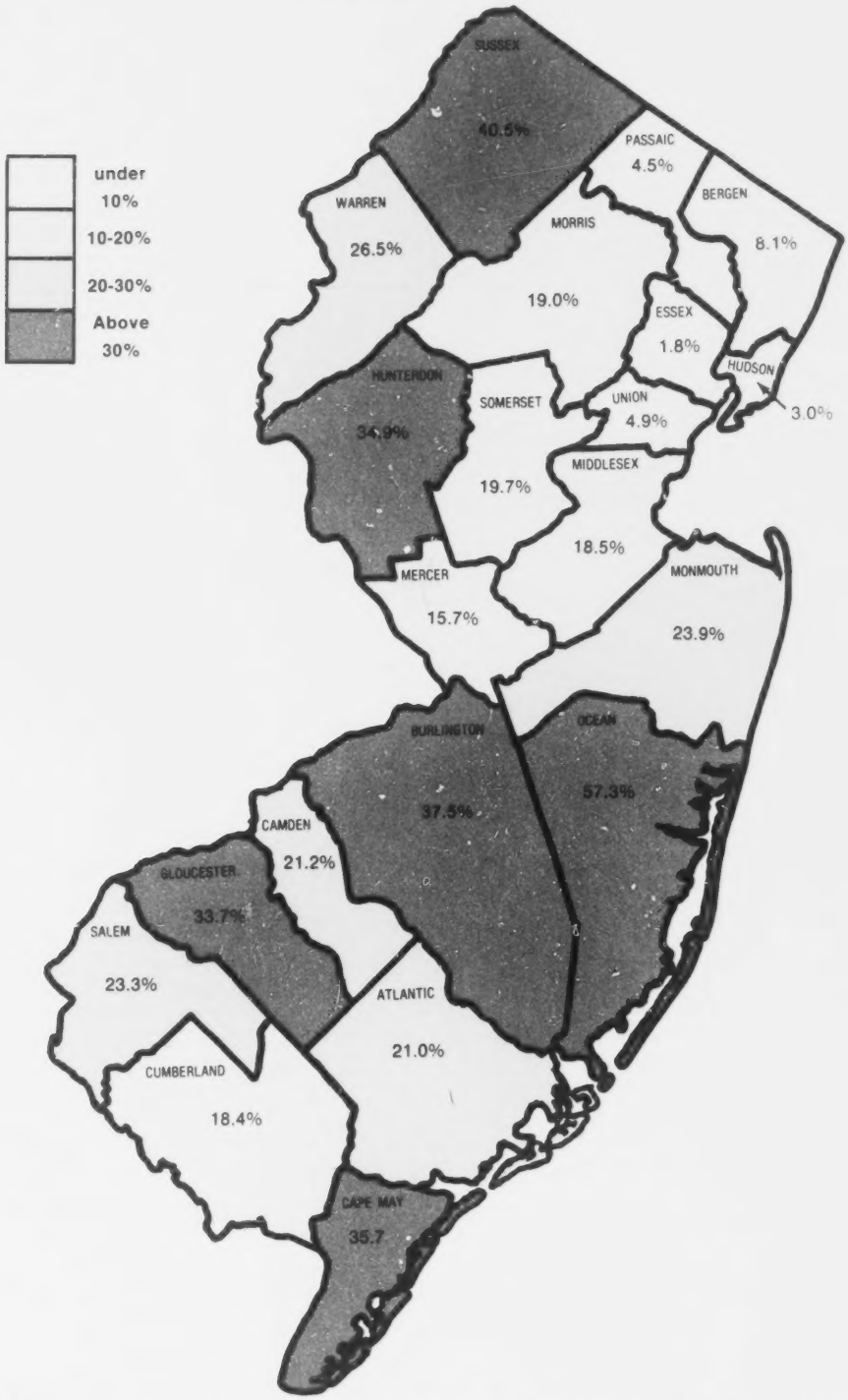
SOURCE: United States Department of Commerce, Bureau of the Census, *New Jersey Census of Housing*, 1980.

1.5 Construction Costs

New Jersey's private construction costs have experienced a generally upward trend in the 1970's. The unit cost of construction for a multiple family structure which averaged from $9,500 in 1971 rose to $34,400 in 1983; costs for a single family dwelling averaged considerably higher (Table 6.6).

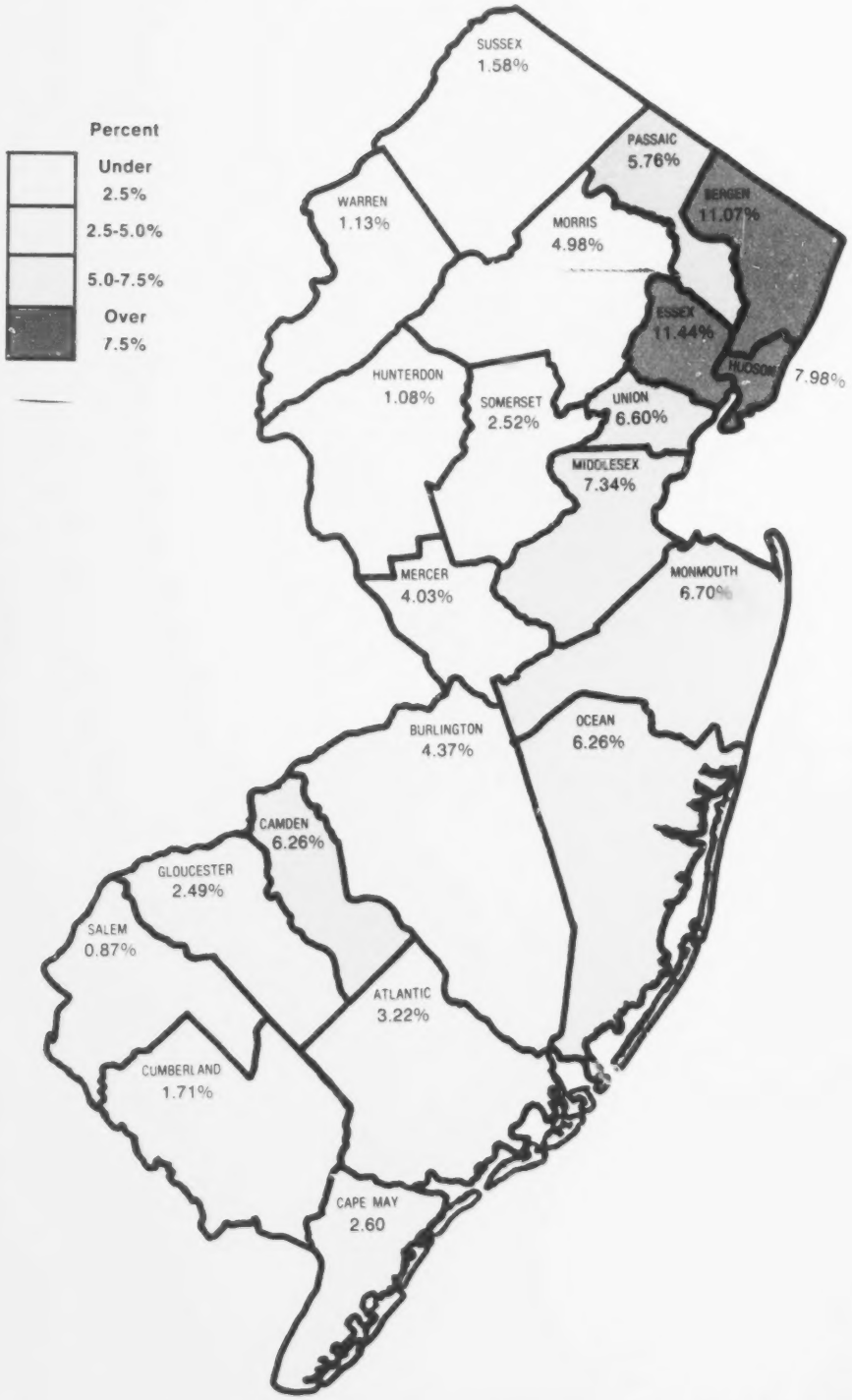
The year-to-year changes in average construction costs have varied noticeably for both the multiple and single family units. The cost of building a multiple family dwelling has usually exhibited greater increases than the New Jersey Consumer Price Index (CPI), while costs for single family units have more closely followed the changes in the price index (Figure 6.8).

FIGURE 6.5
NEW JERSEY HOUSING STOCK INCREASE
By County, 1970-1980



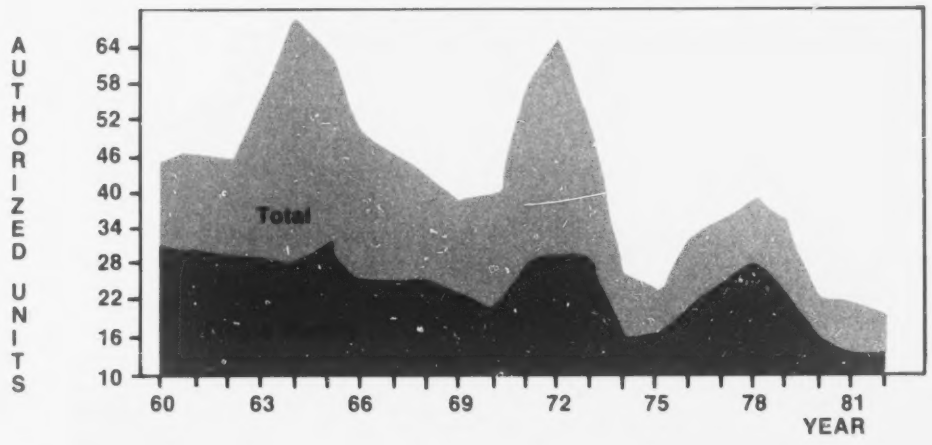
SOURCE: United States Department of Commerce, Bureau of the Census, *New Jersey Census of Housing*, 1980.

FIGURE 6.6
SHARE OF NEW JERSEY HOUSING STOCK
By County, 1980



SOURCE: United States Department of Commerce, Bureau of the Census, *New Jersey Census of Housing*, 1980.

FIGURE 6.7
NEW JERSEY BUILDING PERMITS
1960-1982
(thousands)



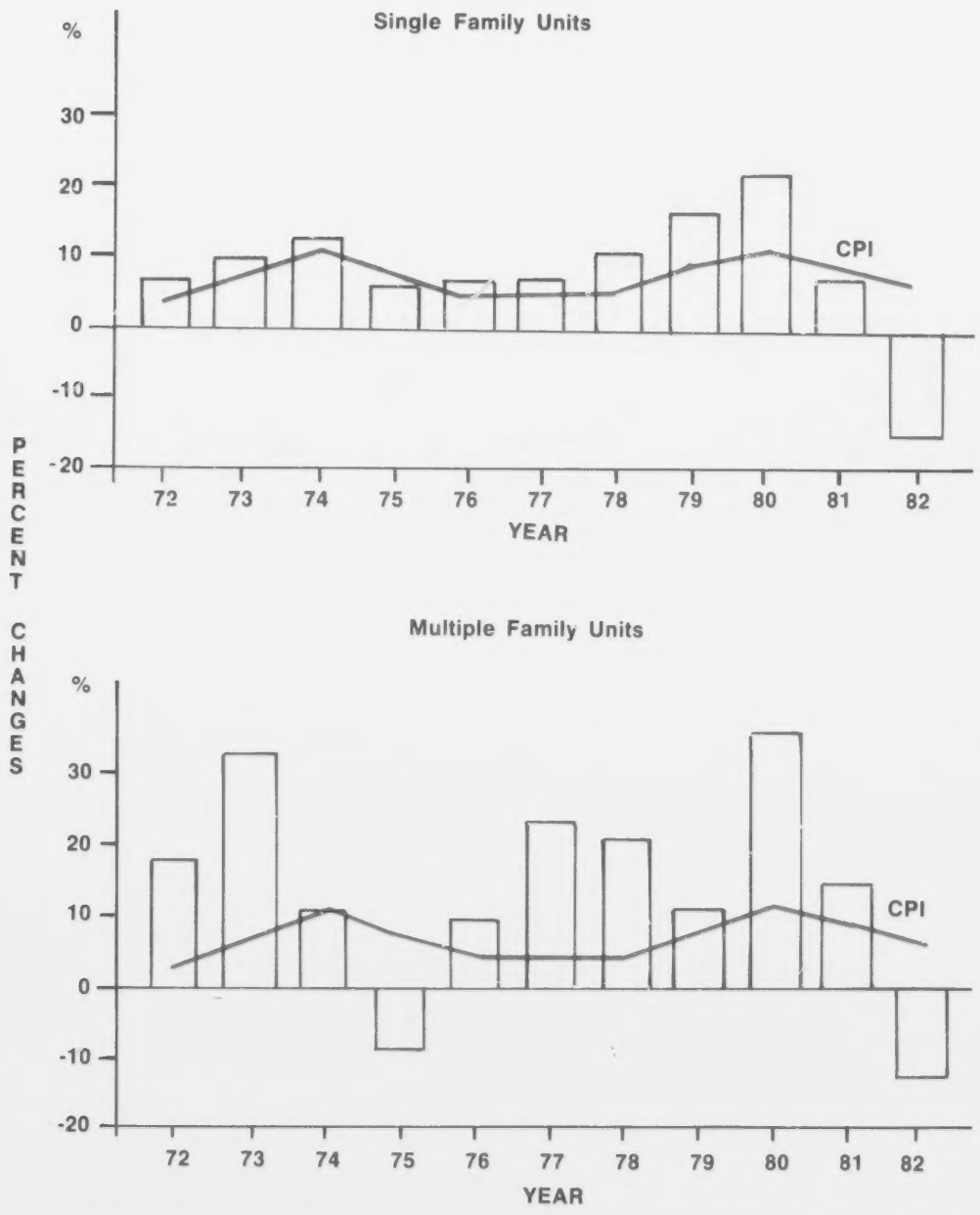
SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Residential Building Permits* (various years).

TABLE 6.6
AVERAGE CONSTRUCTION COSTS
1971-1982

Year	Average Cost Per Unit	
	Single Family	Multiple Family
1971	$20,550	$ 9,500
1972	22,000	11,150
1973	24,250	14,750
1974	27,450	16,250
1975	29,000	14,700
1976	30,800	16,050
1977	32,850	19,600
1978	36,300	23,450
1979	42,350	25,700
1980	51,600	34,600
1981	54,900	39,100
1982	54,000	34,400

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Residential Building Permits, 1981 and 1982 Summaries.*

FIGURE 6.8
ANNUAL PERCENTAGE CHANGES IN NEW JERSEY CONSTRUCTION COSTS
(bars)
AND NEW JERSEY CONSUMER PRICE INDEX (line)



SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Residential Building Permits, 1981 and 1982 Summaries.*

2. MANUFACTURING

2.1 Manufacturing Output

New Jersey manufacturers employed 3.94 percent of all United States manufacturing workers and contributed 3.90 percent to the nation's manufacturing value added in 1980 (Table 6.7). (Value-added is the value of the final output less the cost of material inputs). New Jersey's $30 billion in value-added by manufacturers ranks it eighth among all states. Leading industries in the State include chemicals, food, electric equipment and non-electric machinery. Table 6.8 lists the State's industries and employment as well as value of shipments for 1980.

TABLE 6.7
MANUFACTURING VALUE ADDED AND EMPLOYMENT, 1980
Regions and States

	Number of Employees (000)*	Value Added by Manufacture (million $)	Value Added Per Employee
United States	20,644	773,441	37,465
New England	1,558	51,632	33,139
New York	1,547	58,140	37,582
New Jersey	814	30,137	37,023
Pennsylvania	1,340	47,046	35,108
South Atlantic	3,060	100,367	32,799

*Includes employment at administrative offices and auxiliary units and therefore is not comparable to the establishment-based payroll employment. The latter was 780,800 in New Jersey during 1980.

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

In Table 6.8 we see that a number of industries are more heavily concentrated in New Jersey than in the nation. For example, the State's largest industry, the Chemicals and Allied Products industry, accounts for 1.76 percent of total manufacturing employment in the State and only 4.41 percent nationwide. Similarly, value of shipments in the State is 20.82 percent of the figure for all manufacturing vs. only 8.85 percent nationwide. New Jersey can be said to be specializing in such industries. On the other hand, in other industries the share in total manufacturing is greater in the all-state figure than in New Jersey. In these cases, the state is not specialized in the industry. An examination of all industries in this fashion gives a good picture of the manufacturing profile of the State. In addition to the Chemicals and Allied Products industry, the State has heavier than average concentrations of Rubber and Plastic Products, Instruments and Related Products and Petroleum and Coal Products industries.

TABLE 6.8
SHARES OF NEW JERSEY MANUFACTURING INDUSTRIES
Value of Shipments (1980) and Employment (1983)

	Employment (1983)		Value of Shipments (1980) ($ million)	
	New Jersey	United States	New Jersey	United States
Total Manufacturing	712,142	18,496,200	$68,564.5	$1,850,927.0
	100.00%	100.00%	100.00%	100.00%
Industry				
Chemicals & Allied Products	16.82	5.66	20.82	8.73
Electric & Electronic Equipment	12.51	10.94	6.53	6.95
Machinery, Except Electrical	8.67	11.02	6.65	9.76
Fabricated Metals	7.29	7.43	6.20	6.28
Apparel and Other Textile Products	9.27	10.31	4.56	5.03
Printing & Publishing	8.09	7.00	3.65	3.76
Food & Kindred Products	6.68	8.77	10.92	13.82
Rubber & Plastic Products	5.09	3.88	3.71	2.56
Instruments & Related Products	4.86	3.76	3.38	2.38
Paper & Allied Products	4.38	3.58	3.68	3.92
Primary Metals	2.88	4.53	4.54	7.24
Transportation Equipment	2.00	9.50	5.91	10.06
Furniture & Fixtures	1.44	2.42	0.65	1.21
Petroleum & Coal Products	1.42	1.06	12.36	10.73
Leather & Leather Products	0.68	1.12	0.45	0.53
Lumber & Wood Products	0.84	3.55	0.48	2.55
Miscellaneous Manufacturing	3.31	2.01	2.42	1.35
Others	3.77	3.46	3.09	3.14

SOURCE: United States Department of Commerce, Bureau of the Census, *Annual Survey of Manufactures*, 1980 and New Jersey Department of Labor.

2.2 Employment and Unemployment

The percentage of total nonagricultural workers employed in manufacturing has declined for both the United States and New Jersey for thirty years (Figure 6.9).

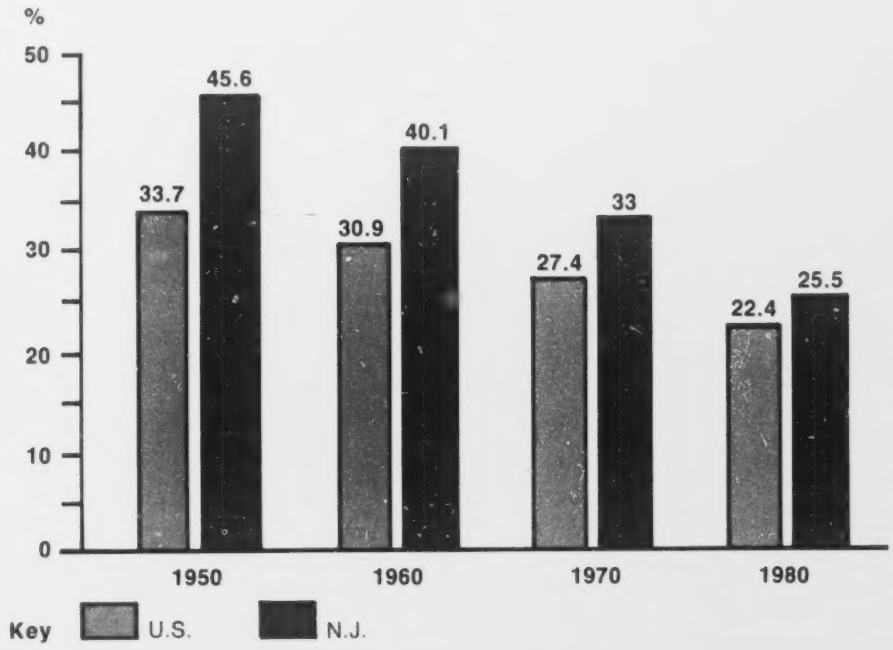
In 1980 New Jersey's manufacturers employed 25.5 percent of the State's nonagricultural employees, while in the United States employees engaged in manufacturing accounted for 22.4 percent of all nonagricultural employees. Within the State's manufacturing sector, the chemical industry leads employment figures with 11.76

percent of all manufacturing employees. Leather and wood industries each employ less than one percent of the total (Table 6.8).

The pattern of growth for New Jersey's employment in manufacturing is shown in figure 6.10. Manufacturing employment reached its peak of 892,500 in 1969 then reversed the trend, falling to 708,700 (preliminary) in 1983. The average annual rate of growth was 1.1 percent between 1960 and 1969, and -1.6 percent from 1969 to 1983. For the United States, the average rate of growth for 1960-1969 was 2.1 percent and -0.5 percent for 1969-1983.

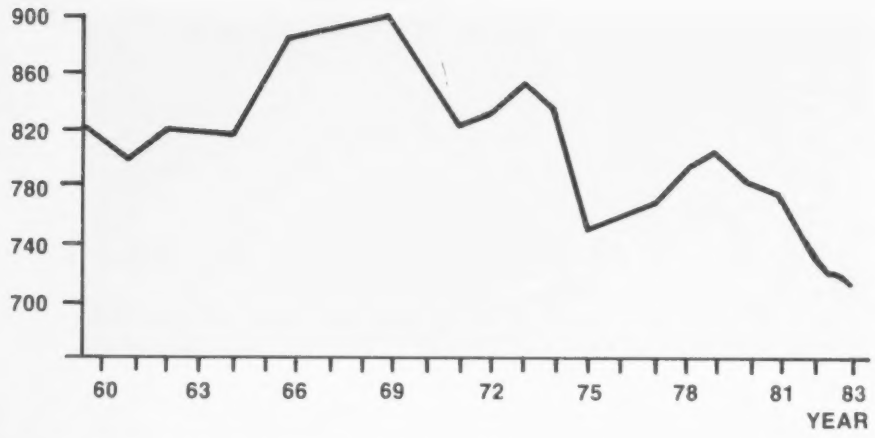
Year-to-year changes in manufacturing employment for both the United States and New Jersey are exhibited in Figure 6.11. During years of increased manufacturing employment, New Jersey's employment grew at a lower rate than the United States; while during those years in which employment decreased, New Jersey's rate of decline averaged about the same as that of the United States.

FIGURE 6.9
TOTAL NONAGRICULTURAL EMPLOYMENT ENGAGED IN MANUFACTURING
(percent)



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings* (various years); and New Jersey Department of Labor, Division of Planning and Research, *Economic Indicators* (various issues).

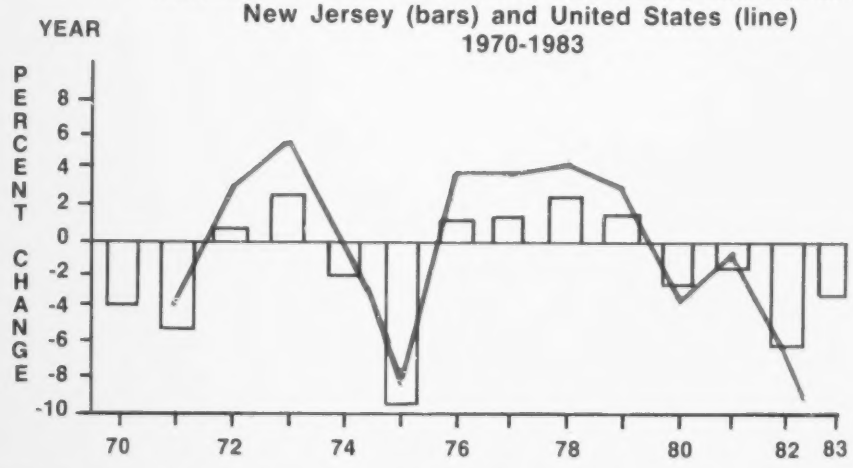
FIGURE 6.10
NEW JERSEY'S MANUFACTURING EMPLOYMENT
1960-1983
(000)



SOURCE: New Jersey Department of Labor, Division of Planning and Research.

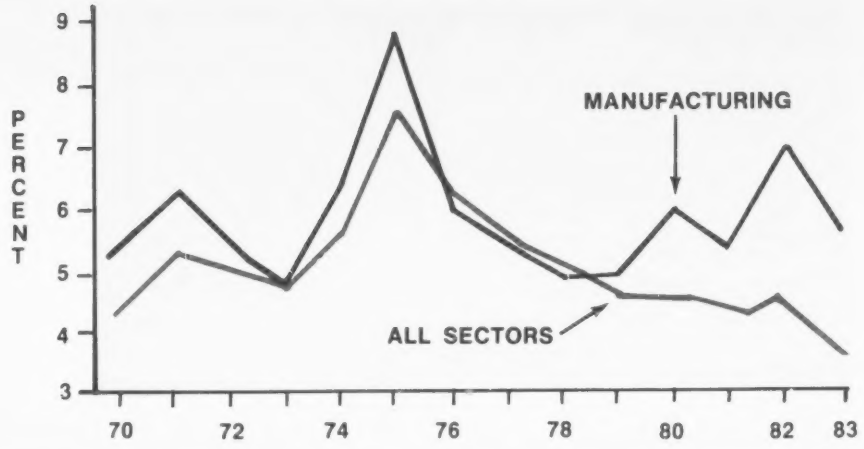
The insured unemployment rate in New Jersey's manufacturing sector has, since 1970, averaged 0.74 percentage point above that of all sectors. The State's total insured unemployment rate was below the manufacturing sector's insured unemployment between 1970 and 1982 for all but three years (Figure 6.12).

FIGURE 6.11
ANNUAL CHANGES IN MANUFACTURING EMPLOYMENT
New Jersey (bars) and United States (line)
1970-1983



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings* (various years); and New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

FIGURE 6.12
NEW JERSEY INSURED UNEMPLOYMENT RATES
1970-1983

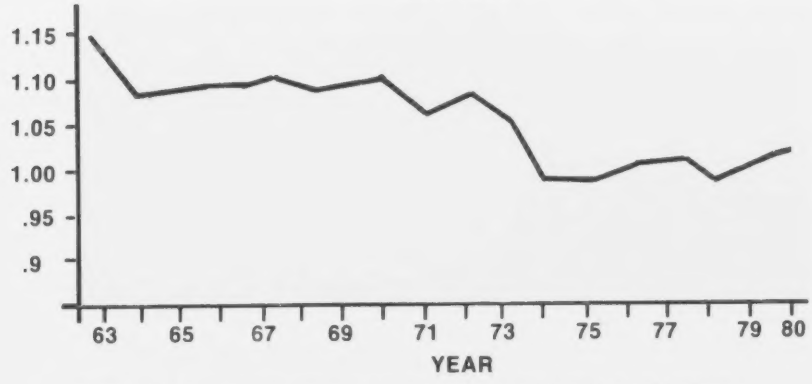


SOURCE: Calculated from New Jersey Department of Labor, Division of Planning and Research. *Covered Employment in New Jersey* and *New Jersey Economic Indicators* (various issues).

2.3 Labor Productivity

Labor productivity, measured by value added per employee, is an important indicator of efficiency. The ratio of New Jersey's output per employee to United States output per employee has diminished since 1963 (Figure 6.13). This implies that New Jersey's labor productivity, which was significantly higher than the national

FIGURE 6.13
LABOR PRODUCTIVITY IN MANUFACTURING
Ratio of New Jersey to United States
1963-1980



NOTE: Labor productivity equals value added/# employees

SOURCE: United States Department of Commerce, Bureau of the Census. *Census and Survey of Manufactures*, various issues.

average in the 1960's is now about equal to the national average.

Measures of overall productivity in particular states are often misleading however as various industries naturally have different levels of labor productivity, and industry mixes vary considerably among states at any given time. New Jersey's industries with the highest shares of total value added in 1977 were chemicals (27.5%), food (8.8%) and electric and electronic equipment (8.4%); while on the national level, the industries accounting for the most value added were non-electrical machinery (11.6%), transportation equipment (11.0%) and chemicals (9.75%). In addition, industry mixes change over time making trend comparisons difficult even for one state.

A measure of overall labor productivity based on a *standard* industry mix on the other hand allows comparison between states and over time. Using standardized data, the Office of Economic Policy calculated the ratio of New Jersey to United States labor productivity and found it to be 1.08 in 1958 and 1.05 in 1977. Thus, the State has retained its long-held advantage in productivity. However, the advantage seems to be dwindling. While New Jersey's productivity was 8 percent greater than the national average in 1958, the difference was only 5 percent in 1977.

TABLE 6.9
NEW JERSEY EXPORT MANUFACTURING BY INDUSTRY, 1980

Industry	Direct Exports (million $)	Total Export-Related (million $)
Food & Kindred Products	$ 229.3	$ 363.7
Textile Mill Products	34.1	99.1
Apparel, Other Textile Products	66.2	277.2
Lumber & Wood Products	3.1	27.4
Furniture & Fixtures	2.9	6.7
Paper & Allied Products	45.2	237.8
Printing & Publishing	25.5	57.5
Chemicals & Allied Products	1,266.1	2,219.9
Petroleum & Coal Products	224.0	482.0
Rubber & Misc. Plastic Products	157.6	348.7
Leather & Leather Products	15.3	23.4
Primary Metal Industries	306.5	758.7
Fabricated Metal Products	212.1	537.0
Machinery, Except Electrical	911.7	1,173.9
Electric & Electronic Equipment	383.2	610.0
Transportation Equipment	108.3	249.9
Instruments & Related Products	243.7	200.8
Miscellaneous Manufacturing Indus.	123.7	432.7
NEW JERSEY TOTAL	4,408.9	8,385.1

SOURCE: United States Department of Commerce, Bureau of the Census, *Annual Survey of Manufactures, 1980.*

2.4 Exports

New Jersey's total export-related manufacturing for 1980 was valued at over $8 billion. Relatively higher valued total exports were found in the chemical, machinery and primary metals industries; while lumber and furniture-related products had lower values of export shipments (Table 6.10). The value of shipments is presented as an indication of exporting activity by industry—it is not necessarily a clear indication of our State's exporting output.

2.5 Intrastate Differences

New Jersey's manufacturing output varies significantly from county to county (Table 6.11). In 1978, Union and Middlesex Counties had the greatest share of production (value added) with 13.5 and 13.0 percent of the State, respectively. The lowest output was found in Hunterdon County with .86 percent and Ocean County with .89 percent. Relative to population, it appears that Union

TABLE 6.10
COUNTY SHARE OF MANUFACTURING VALUE ADDED AND EMPLOYMENT, 1978
Percentages

	Value Added	Employment Share	Population Share
Atlantic	1.27	1.09	2.59
Bergen	12.70	13.91	11.77
Burlington	2.82	2.67	4.94
Camden	4.23	4.32	6.42
Cape May	2.31	(n.a.)	1.05
Cumberland	(n.a.)	2.48	1.77
Essex	10.27	10.98	11.29
Gloucester	1.82	1.60	2.72
Hudson	8.70	8.73	7.54
Hunterdon	.86	.76	1.15
Mercer	3.48	4.29	4.32
Middlesex	13.03	10.89	8.04
Monmouth	3.25	3.56	6.80
Morris	5.13	6.28	5.50
Ocean	.89	.85	4.51
Passaic	7.26	8.28	6.35
Salem	1.61	1.14	.85
Somerset	(n.a.)	(n.a.)	2.83
Sussex	(n.a.)	(n.a.)	1.49
Union	13.51	12.07	6.93
Warren	2.18	1.52	1.14

(n.a.)—not available

SOURCE: United States Department of Commerce, Bureau of the Census, *Annual Survey of Manufactures, 1978.*

County, which had only a 6.93 percent population share, is the leading manufacturing county, followed by Middlesex, Bergen and Essex.

SUMMARY

Construction and manufacturing together employed over 900,000 workers in 1980 and produced goods valued at over $70 billion. New Jersey's 32,000 construction establishments employed 115,000 persons in 1977. The industry's per-employee receipts of $49,183 lagged behind the nation; but this average is influenced by the various types of construction.

From 1970 to 1980 the State's housing stock increased by 16.1 percent, from 2,387,815 to 2,772,149 units. Among the State's counties, the greatest percentage increase in housing units was registered by Ocean County with a 57.3 percent gain from 110,311 units in 1970 to 173,532 in 1980. Essex had the lowest rate of increase (1.8%) of its housing stock.

The manufacturing sector employed 814,000 New Jerseyans in 1980. The largest single industry, chemicals and allied products, employed 11.8 percent of the total and accounted for $6.6 billion in value added.

Until recently, the State had a far larger share of its workers engaged in manufacturing than the United States. In 1950, the State's share was 45 percent vs. United State's 34 percent proportion. By 1980, the difference had been reduced to only three percentage points as the shares dropped to 25.5 and 24.4%, respectively.

VII. TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES

Transportation, communication and public utility industries (T.C.P.U.) provide many essential services for the nation's most densely populated state. In 1982, this sector accounted for 6.3 percent of the State's nonagricultural employment, employing nearly 196,000 workers (Table 7.1).

TABLE 7.1
EMPLOYMENT IN TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES
New Jersey, 1982

	Annual Averages, Thousands
Total	195.9
Transportation	111.8
Railroad	5.6
Communication*	57.8
Electric, Gas & Sanitary Services	26.3

*Excluding postal workers.

SOURCE: New Jersey Department of Labor, Division of Planning and Research, *Economic Indicators*, 1982 and 1983 (various issues).

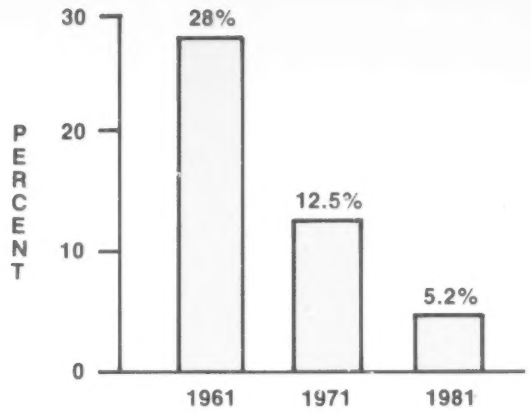
1. TRANSPORTATION

New Jersey's dense population, thriving commerce, and close proximity to New York City and Philadelphia contribute to a strong demand for an efficient and reliable transportation system. However, despite the high level of demand, the share of the State's budget devoted to transportation declined from 28 percent in fiscal year 1961 to 5.3 percent in fiscal year 1981 (see Figure 7.1)

1.1 Roads and Highways

New Jersey has a large and intricately-developed roadway system. Of the State's nearly 33 thousand miles of roads, only 7.6 percent are highways. Municipal and county roads make up the largest part of the total State system (Table 7.2).

FIGURE 7.1
PERCENTAGE OF NEW JERSEY BUDGET DEVOTED TO TRANSPORTATION
1961-1981
Including Federal Aid



SOURCE: Regional Plan Association, "Transportation in New Jersey; The Road to Renewal", *Regional Plan News*, January 1983.

1.2 Motor Vehicles and Licensed Drivers

The more than five million drivers in New Jersey comprise nearly 88 percent of the State's driving-age population. New Jersey's licensed drivers make up a larger portion of age-eligible drivers than those in other states in the region as well as the United States as a whole (Table 7.3).

TABLE 7.2
NEW JERSEY ROAD MILEAGE, 1982

	Miles	% of Total	Estimated Vehicle Vehicle Miles Traveled (billion)	% of Total
Turnpike	132	.4	2.48	4.9
Garden State Parkway	156	.5	2.60	5.2
Atlantic City Expressway	44	.1	.31	.6
State Highways	2,236	6.6	18.30	36.4
County Roads	6,656	19.9	17.60	35.0
Municipal Roads	23,713	70.8		
Institutions, Parks & Forests	503	1.5	8.97	17.9
Other	51	.2		
TOTAL	33,491	100%	50.26	100%

SOURCE: "Transporation in New Jersey; The Road to Renewal", *Regional Plan News* Regional Plan Association, January 1983.

TABLE 7.3
LICENSED DRIVERS, MID-ATLANTIC STATES, * 1981

	Licensed Drivers	
	Number (000)	As Percent of Population of Driving Age
United States	147,075	82.6
New York	9,249	66.3
New Jersey	5,155	88.0
Pennsyivania	7,252	76.9

SOURCE: New Jersey Department of Transportation.

In 1981, over 87 percent of New Jersey's 4.8 million registered vehicles were automobiles, while trucks, buses and motorcycles comprised the remaining 13 percent. Excluding over 105,000 registered motorcycles, there were 1.1 licensed drivers per registered vehicle, and 1.58 persons per registered vehicle in the State (Table 7.4).

TABLE 7.4
MOTOR VEHICLE REGISTRATIONS
(Excluding Motorcycles)
United States, Regions and States, 1981

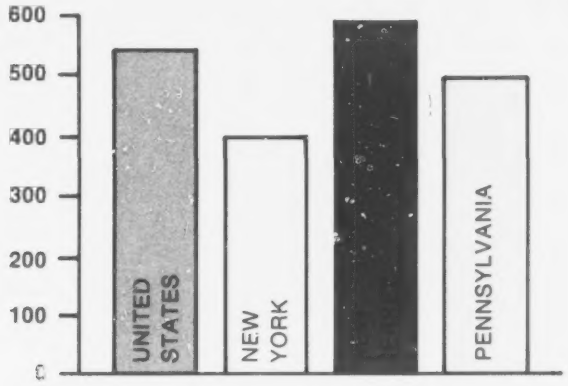
	Vehicles Registered	Licensed Drivers per Vehicle	Persons per Vehicle
United States	158,457	.93	1.45
New England	8,466	.95	1.47
New York	8,120	1.14	2.17
New Jersey	4,697	1.10	1.58
Pennsylvania	1,010	1.03	1.69
South Atlantic	26,995	.96	1.39

SOURCE: New Jersey Department of Transportation, Bureau of Data Resources.

1.3 Vehicle Travel

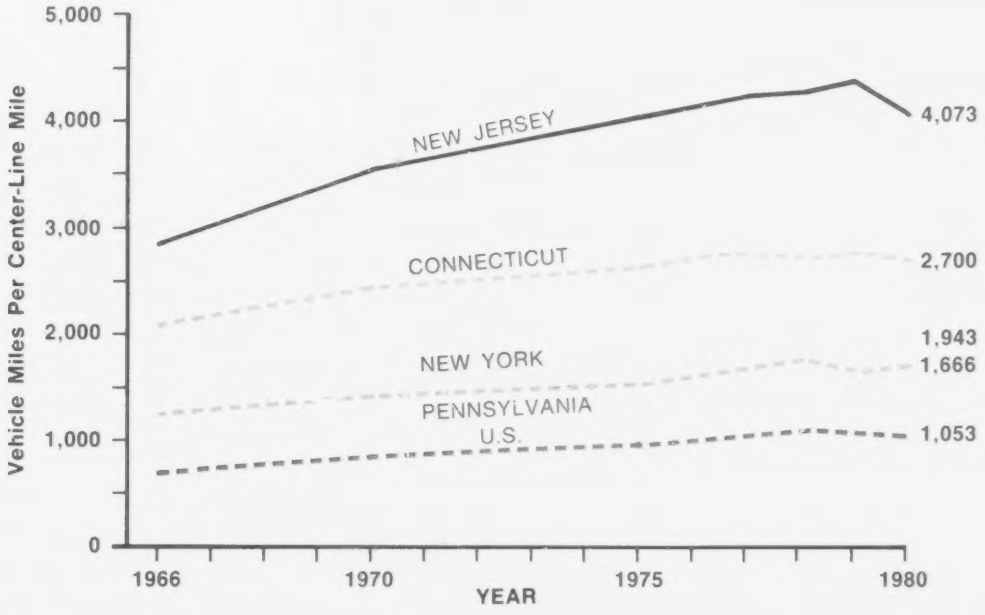
In 1981, vehicles traveled over 50 billion miles on New Jersey's roads and highways. Of this total, 4.9 percent was on the Turnpike, 5.2 percent on the Garden State Parkway and .6 percent on the 44 mile-long Atlantic City Expressway. Over 70 percent of all vehicle miles traveled in the State was on state and county roads (Table 7.2).

FIGURE 7.2
NUMBER OF AUTOMOBILES PER 1,000 POPULATION, 1981



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 7.3
ESTIMATED AVERAGE DAILY TRAVEL PER MILE OF HIGHWAY
1966-1980



SOURCE: Regional Plan Association, "Transportation in New Jersey; The Road to Renewal", *Regional Plan News,* January 1983.

1.4 Road and Highway Finance

Financial support for New Jersey's road and highways comes from three sources: federal, state and local. In 1981, 47 percent of all funds came from State revenues including gasoline taxes (Table 7.5), toll collections (Table 7.6) and State bond proceeds. Federal-aid contributed 29 percent, while local sources paid 23 percent of total outlays.

TABLE 7.5
STATE GASOLINE TAX
Mid-Atlantic Region
Cents Per Gallon

	1970	1980	1981
National Weighted Average	7.0	8.2	8.3
New York	7.0	8.0	8.0
New Jersey	7.0	8.0	8.0
Pennsylvania	8.0	11.0	11.0

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

TABLE 7.6
NEW JERSEY HIGHWAY COLLECTIONS, 1981

	Tolls ($ 000)	Total Receipts ($ 000)
Atlantic City Expressway	13,084	16,016
Garden State Parkway	72,308	95,474
New Jersey Turnpike	126,188	170,732

SOURCE: New Jersey Department of Transportation.

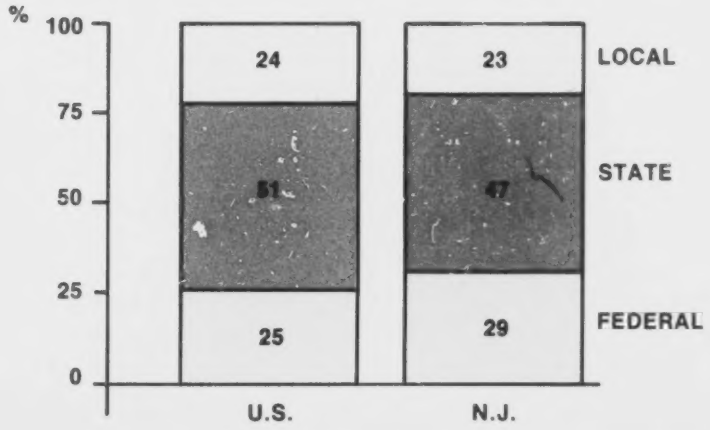
In 1981, approximately the same proportion of local funds was spent on highways and roads in the State as in the total United States (23 and 24%, respectively). A larger proporation of federal funds was used to finance state roadways (29% in New Jersey vs. 25% total United States). As a consequence, State spending of own funds (47%) was less than the average of all states (51%) (Figure 7.4).

1.5 Driving Habits

Total miles driven per licensed driver in New Jersey fell to a fourteen-year low in 1981. With over 50 billion miles traveled on our State's roads in 1981, total miles per licensed driver dropped

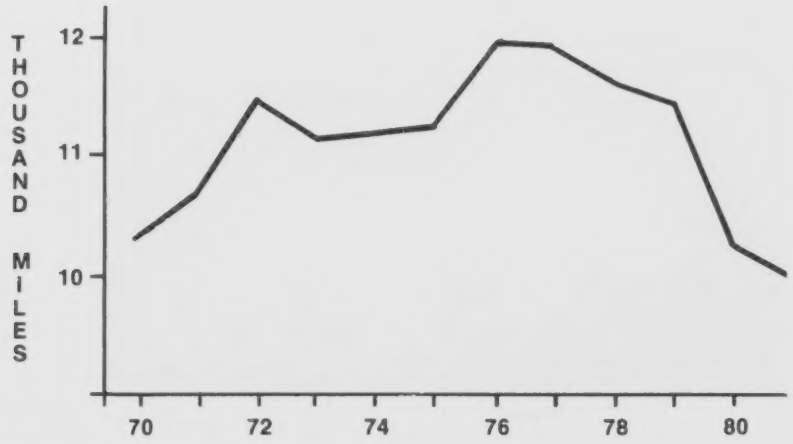
nearly 2.5 percent from the previous year to 9,957 (Figure 7.5). Total miles per licensed driver in New Jersey is below the United States average but above the figures for Pennsylvania (Table 7.7)

FIGURE 7.4
ROADS AND HIGHWAYS SOURCE OF FUNDS, 1981



SOURCE: United States Department of Transportation, Federal Highway Administration, *Highway Statistics*, 1982.

FIGURE 7.5
NEW JERSEY MOTOR VEHICLE MILES PER LICENSED DRIVER
1970-1981



SOURCE: New Jersey Department of Transportation, Bureau of Data Resources.

TABLE 7.7
MOTOR VEHICLE TRAVEL MILES
1981

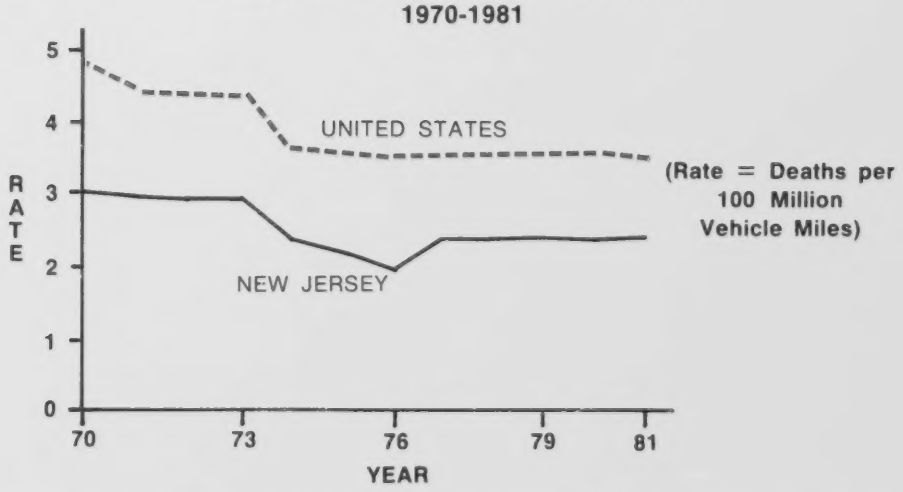
	Total Miles (million)	Miles Per Licensed Driver	Miles Per Capita
United States	1,550,271	10,540	6,761
New York	79,130	8,556	4,496
New Jersey	51,338	9,957	6,932
Pennsylvania	71,508	9,860	6,024

SOURCE: New Jersey Department of Transportation, Bureau of Data Resources.

1.6 Motor Vehicle Fatalities

New Jersey's traffic safety record (Table 7.8) has historically been one of the best in the country. The traffic fatality rate (number of accident-related deaths per 100-million vehicle miles) for the State has declined, leading a national trend during the last ten years or so. (Figure 7.6). The overall decline appears to be related to the energy crisis of 1973-74 and the 55 mph speed limit.

FIGURE 7.6
MOTOR VEHICLE FATALITY RATES
1970-1981



SOURCE: New Jersey Department of Transportation, Bureau of Data Resources.

TABLE 7.8
MOTOR VEHICLE FATALITIES
United States and Mid-Atlantic Region, 1981

	Number of Deaths	Rate (Deaths per 100 Million Vehicle Miles)
United States	49,268	3.18
New York	2,487	3.14
New Jersey	1,162	2.26
Pennsylvania	2,019	2.82

SOURCE: New Jersey Department of Transportation, Bureau of Data Resources.

1.7 Public Transportation

Public Transportation in New Jersey provides nearly twice the number of weekday passenger trips on public transit facilities as the all-state average. In 1982, public transit provided nearly 990,000 daily passenger trips which covered an estimated 7.7 million passenger miles (Table 7.9). Also in 1982, New Jersey buses (New Jersey Transit and others) were responsible for over 65 percent of all trips and traveled 51 percent of total public transit miles.

TABLE 7.9
NEW JERSEY PUBLIC TRANSIT TRAVEL, 1982

	Weekday Passenger Trips		Weekday Passenger Miles (estimated)	
	(000)	(%)	(000)	(%)
New Jersey Transit Bus	394.0	39.8	2,561.0	33.3
Other Bus (subsidized & non-subsidized)	250.0	25.3	1,350.0	17.6
Newark Subway (New Jersey Transit)	11.9	1.2	35.7	.5
PATH (Port Authority Trans-Hudson)	170.0	17.2	759.9	9.9
New Jersey Transit Rail	132.7	13.4	2,693.8	35.1
Delaware River Port Authority Transit Co.	30.9*	3.1	276.6	3.6

*Calendar Year 1981.

SOURCES: New Jersey Transit, Port Authority, PATCO, Tri-State Regional Planning Commission.

1.8 Freight Transportation

New Jersey's businesses have taken advantage of the State's location and well-developed transportation system. In 1977, the State registered total shipments of 13 billion ton-miles (tons times distance). Water transportation was responsible for about 24 per-

cent of total ton-miles, while motor carriers and private trucks together accounted for almost 49 percent. Rail shipments amounted to 19 percent of total freight shipped. (Table 7.10).

TABLE 7.10
FREIGHT TRANSPORTATION
(Ton-Miles)
United States and Mid-Atlantic Region

	Total Ton-Miles (million)	Percentage					
		Rail	Motor Carrier	Private Truck	Air	Water	Other
United States	758,984	35.63	24.15	12.53	.19	20.25	7.25
New York	18,963	25.42	46.47	24.56	.53	.13	2.89
New Jersey	13,387	19.12	39.25	9.6	.42	23.59	8.02
Pennsylvania	31,044	27.62	38.92	14.41	.27	15.15	3.63

SOURCE: United States Department Commerce, Bureau of the Census, *1977 Census of Transportation*, "Commodity Transportation Survey", 1977.

1.9 Railroads

The State also has a well-developed railway network, totaling 1,381 miles of track, or .18 miles of track per square mile of land area, the greatest amount of track per square mile in the nation and over three and one half times the .05 national average (see Table 7.11). Despite the size of New Jersey's rail network, track mileage has fallen 25 percent since 1965, a larger drop than the national decline of 10 percent. The decline can be attributed to the relative age of New Jersey's railroad facilities and the relative decline of manufacturing activity within the State as well as the development of an efficient interstate highway system. Major federal and State efforts are being made to preserve and rebuild New Jersey's railway facilities so that the railroads can continue to provide important services both to commuters and freight shippers.

TABLE 7.11
RAILWAY MILES
Regions and States, 1977

	Total Miles	Miles Per Square Mile of Land Area
United States	191,205	.0540
New England	4,422	.0702
New York	4,310	.0901
New Jersey	1,381	.1836
Pennsylvania	6,757	.1503

SOURCE: Association of American Railroads.

2. COMMUNICATION

Technological advances have been very rapid in the communication sector. Two examples are radio and television tranmission by satellite, and fiber optics networks (which are to be linked to satellite communications). New Jersey, having contributed much to this field, will host important new facilities in the sector. The State now numbers several corporate headquarters and extensive research facilities devoted to communications.

2.1 Radio and Communication

New Jersey's population is served by twelve television stations: two VHF, one of which is commercial (Channel 9), and ten UHF facilities which include a network of State-supported public channels. In addition, the State is served by 40 AM and 66 FM radio stations.

The State has fewer commercial plus educational television stations per 100,000 population (0.163) than does the United States overall (0.512). While this is offset to a large degree because New Jerseyans have access to New York and/or Philadelphia stations, it may nevertheless mean that there is some under-reporting of State news and activities by the media.

2.2 Telephone Service

New Jersey's telephone system serves almost all State households. Between 1970 and 1980, the number of telephones in service in New Jersey increased 41 percent from 4,786,000 to 6,725,000. The number of telephones in New Jersey relative to population and households is greater than that for the United States and other Mid-Atlantic states (Table 7.12).

TABLE 7.12
TELEPHONE SERVICE
United States and Mid-Atlantic Region, 1980

	Number of Lines (000)		% Bell-owned		Per Population	% Households With Service*	
	1970	1980	1970	1980	1980	1970	1980
United States	120,155	180,424	83	81	59	92	96
New York	12,461	12,973	92	81	54	97	98
New Jersey	4,786	6,725	98	98	68	99	108
Pennsylvania	7,476	9,877	83	81	63	95	99

*Sum of residence main, apartment house private branch exchange and residence service main telephones, and other residence private branch exchange systems. Overstates the proportion of households with telephone service.

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

3. PUBLIC UTILITIES

Public utilities distribute and sell electricity, gas and water to New Jersey residents and businesses.

The total number of natural gas customers has increased between 1971 and 1981 at a 0.46 percent average annual rate compared to a 1.39 percent average annual electric customer increase (Table 7.13).

TABLE 7.13
NEW JERSEY'S NATURAL GAS AND ELECTRIC CUSTOMERS
ALL SECTORS, 1972 and 1982

	Number of Customers		Average Annual
	1972	1982	Change (%)
Gas	1,799,986	1,884,229	.46
Electric	2,486,069	2,877,748	1.47

SOURCE: New Jersey Department of Energy, *New Jersey Energy Profile, An Historical Perspective,* 1982.

The breakdown of energy consumption for New Jersey resembles that of the United States. The largest portion of energy consumption for both the United States and New Jersey is found in the industrial sector (39.99% United States; 31.11% New Jersey). Residential use follows with 23.00% in New Jersey and 20.11% in the United States (Table 7.14).

TABLE 7.14
ENERGY CONSUMPTION BY END-USE SECTOR, 1980
Percent

	United States	New Jersey
Transportation	25.91	27.34
Commercial	13.99	18.55
Industrial	39.99	31.11
Residential	20.11	23.00

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

3.1 Electricity

Privately-owned electric companies accounted for 99.3 percent of the 31.7 billion kilowatt-hours of electric energy generated in the State in 1981. Atlantic City Electric, Jersey Central Power and Light, Public Service Electric and Gas, and Rockland Electric Company produced almost 31 billion kilowatt-hours of electricity while the City of Vineland Electric Utility generated the remainder (Table 7.15).

TABLE 7.15
ELECTRIC ENERGY PRODUCTION AND INSTALLED GENERATION CAPACITY
Regions and States, 1981

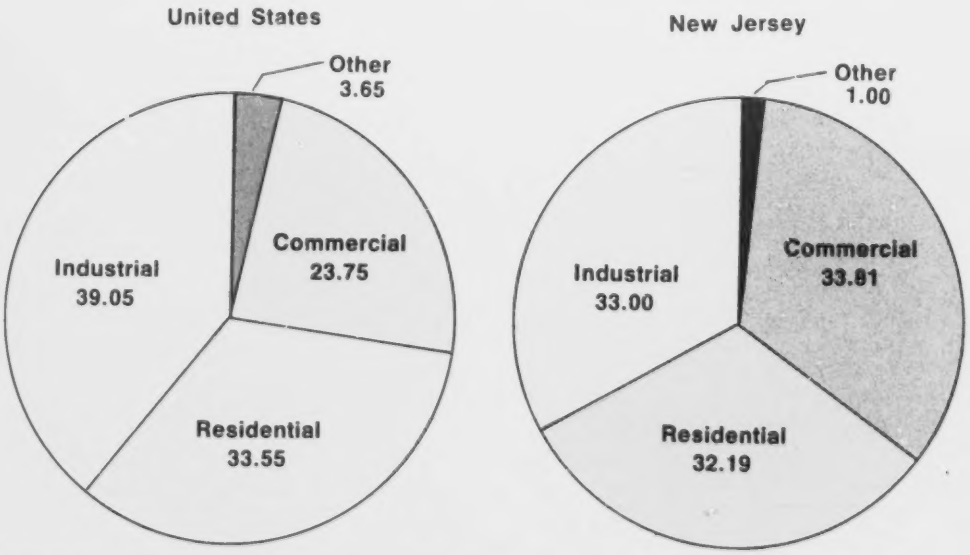
	Production (billion kwh)	Percent Privately Owned	Installed Capability (million kwh)
United States	2,294.8	77.8	635.0
New England	76.9	99.3	21.0
New York	105.8	70.3	31.1
New Jersey	31.7	99.3	13.7
Pennsylvania	116.6	99.9	34.4
South Atlantic	424.0	93.8	115.8

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

New Jersey's residential users account for 32 percent of total consumption. The proportion of residential users is essentially the same for the United States, while substantial differences appear in the commerical and industrial sector (Figure 7.7).

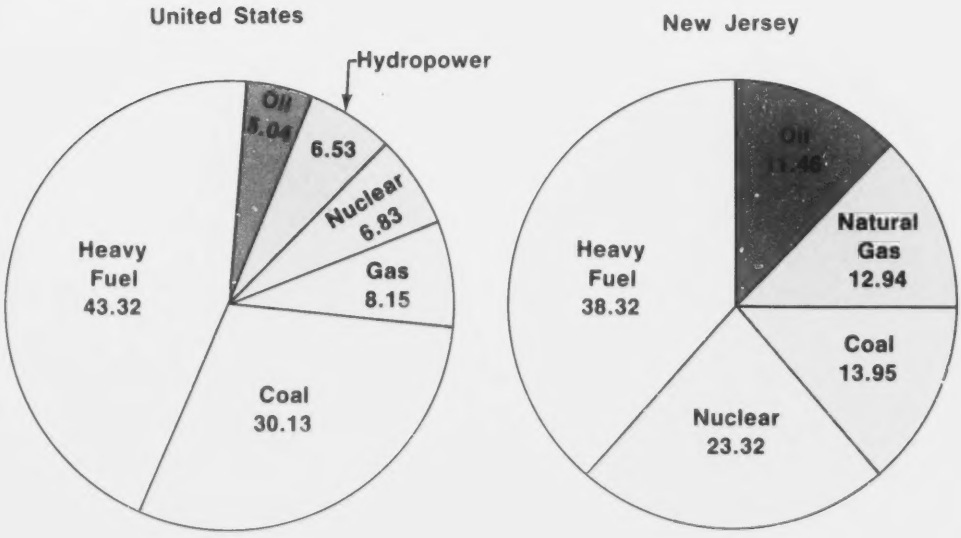
Large differences appear between the United States and New Jersey in the fuels used in the production of electricity (Figure 7.8). New Jersey's nuclear power share (23.32%) greatly exceeds that of the United States overall (6.83%). New Jersey uses less coal (13.95% vs. 30.13%) and no hydropower.

FIGURE 7.7
ELECTRIC ENERGY SALES, BY SECTOR,
United States and New Jersey, 1981
Percent



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 7.8
FUELS USED IN GENERATING ELECTRICITY
United States and New Jersey, 1981



SOURCE: New Jersey Department of Energy, Energy Information Administration Division.

3.2 Natural Gas

In 1981, New Jersey's natural gas consumption reached an all-time high. Gas utilities in New Jersey supplied 336 trillion BTU's (British Thermal Units) of fuel or 45.4 million BTU's per capita (Table 7.16). Per capita consumption for New Jersey is significantly less than for the United States and the State of Pennsylvania, while it is above New York State.

TABLE 7.16
NATURAL GAS INDUSTRY SALES
Regions and States, 1981

	Total Sales (Trillion BTU's)	Per Capita (Million BTU's)
United States	15,361	67.0
New England	311	25.0
New York	639	36.3
New Jersey	336	45.4
Pennsylvania	743	62.8
South Atlantic	1,313	34.8

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

New Jersey's natural gas prices are higher than average in the nation. The average gas price (for all classes of service) in 1981 was $5.29 per million BTU's (Table 7.17). These high prices are partially attributed to the transportation costs and government regulations.

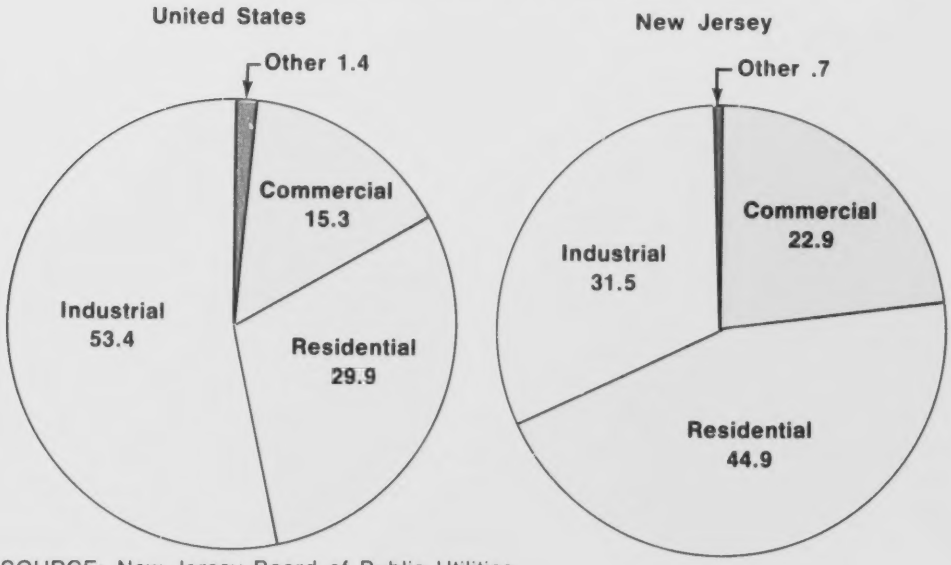
TABLE 7.17
NATURAL GAS PRICES
Regions and States, 1981

	Average Price, All Classes ($ per million BTU's)
United States	3.67
New England	5.77
New York	4.79
New Jersey	5.29
Pennsylvania	4.03
South Atlantic	3.95

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

Natural gas consumption in New Jersey appears to be very different from the United States. Whereas in the United States 53.4 percent of all natural gas is consumed by the industrial sector, only 31.5 percent of the State's supply is used by industry (Figure 7.9). New Jersey's residential and commercial sectors use a larger proportion of natural gas than does the United States.

FIGURE 7.9
NATURAL GAS USED BY SECTOR
United States and New Jersey, 1981



SOURCE: New Jersey Board of Public Utilities.

SUMMARY

Highway usage in New Jersey greatly exceeded figures for the United States and nearby states. Average daily travel per mile of highway in the State was nearly four times the United States figure (4,073 vs. 1,053 in 1980) and far greater than the usage in nearby states.

The State also heavily utilizes public transportation providing nearly twice the weekday passenger trips on public facilities as the United States average.

New Jersey has several times more railroad track mileage per square mile than the national average. Rail usage has declined since 1965, but an attempt is now being made to increase rail use by revitalizing the State's rail system.

Between 1971 and 1981, the number of customers of producers of electric power grew faster than the number of gas customers. In its electric generation, New Jersey depended much more heavily than the average state on oil and nuclear power. Nuclear fuel accounted for 23 percent of electric-generating fuel in the State vs. only 7 percent nationwide.

VIII. TRADE AND SERVICES

1. TRADE

The wholesale and retail trade sector employed 698,200 workers in 1982—over 22 percent of New Jersey's non-agricultural employment. The number of wholesale and retail trade employees in the State increased 43 percent from 1960 to 1970 and almost 30 percent from 1970 to 1982.

The average annual percentage change in trade employment for New Jersey in the 1960's was greater than for the United States, New England and other mid-Atlantic states and only slightly lower than for the South Atlantic region. Between 1970 and 1982 the New Jersey growth figures were below the United States and the South Atlantic region (Table 8.1).

TABLE 8.1
WHOLESALE AND RETAIL TRADE EMPLOYMENT
United States and Regions
1960-1982

	Number of Trade Employees (000)				Average Annual Percent Change	
	1960	1970	1980	1982	1960-1970	1970-1982
United States	11,391	15,040	20,310	20,551	2.82	2.64
New England	693.6	922.4	1,175.3	1,189.2	2.89	2.14
New York	1,251.2	1,445.1	1,465.2	1,454.3	1.45	0.05
New Jersey	374.6	538.2	680.3	698.2	3.69	2.19
Pennsylvania	684.6	816.5	989.1	970.0	1.78	1.45
South Atlantic	1,506.8	2,174.6	3,239.3	3,323.3	3.74	3.60

SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earning* and New Jersey Department of Labor, Division of Planning & Research, *Economic Indicators* (various issues).

1.1 Retail Trade

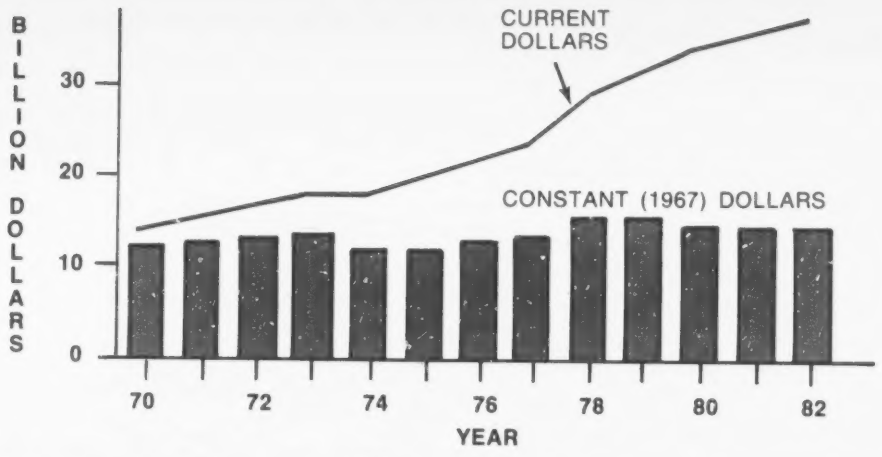
While the dollar value of retail sales in New Jersey increased over 160 percent between 1970 and 1982, that increase was to a large extent caused by inflation (Figure 8.1). Retail sales in constant (1967) dollars increased only 18 percent, from $12.31 billion in 1970 to 14.54 billion in 1982.

1.2 Retail Sales by Establishments

In 1977* the nearly 60,000 retail sales establishments in the State had total sales of $24.3 billion or $408,000 per establishment; retail sales in current dollars increased at various rates depending

*The latest available statistic from a business census.

FIGURE 8.1
YEARLY RETAIL SALES, 1970-1982
Current and Constant (1967) Dollars



SOURCE: New Jersey Department of Labor, Division of Planning and Research, *Economic Indicators* (various years).

on the type of establishment. Between 1972 and 1977—the two latest business census data years available—gasoline service stations reported the largest increase in current dollar sales due mostly to the extraordinarily high rate of inflation in that industry (Figure 8.2). The information presented in Figure 8.2 is useful in conveying changes in sales values, not changes in real retail activity.

1.3 Total Retail Sales and Productivity

New Jersey's total retail sales of over $35 billion in 1981 amounts to per capita sales of $4,477. This figure exceeds per capita sales for the United States, South Atlantic and Mid-Atlantic states while being almost $300 less than the New England figure (Table 8.2). Although relatively high between 1980 and 1981, New Jersey's per capita retail sales experienced less growth than most of the Eastern United States.

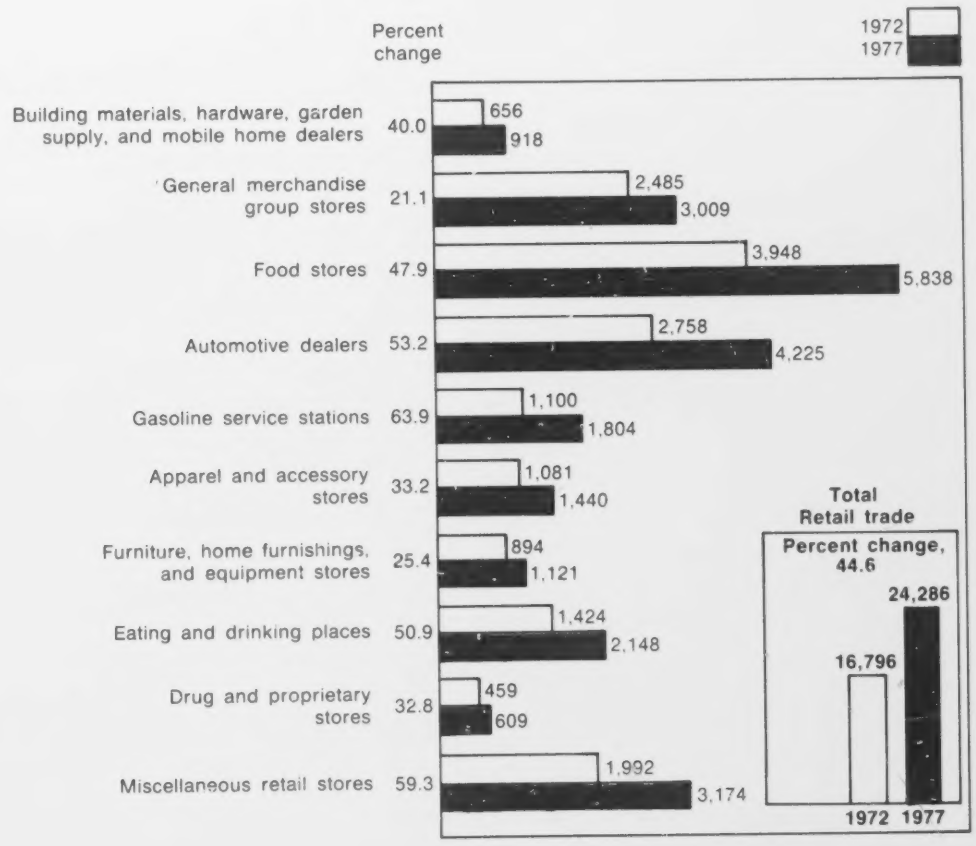
Between 1970 and 1982, productivity of retail employees declined. Constant dollar retail sales per employee (monthly average) experienced wide fluctuations from 1970 to 1982, ending with sales per employee in 1982 of over $1,000 less than in 1970 (Figure 8.3). Fluctuations like the decline in 1973 and increase in 1977, are results of substantial changes in the total volume of sales in constant dollars rather than changes in employment.

TABLE 8.2
RETAIL SALES, UNITED STATES & REGIONS
1980-1981 AND PER CAPITA

	Total		Per Capita	
	1980	1981	1980	1981
United States	951.9	1,038.8	4,202	4,530
New England	56.0	62.6	4,537	5,034
New York	66.1	70.0	3,763	3,975
New Jersey	33.6	35.4	4,567	4,777
Pennslyvania	45.1	48.4	3,800	4,076
South Atlantic	150.2	166.6	4,065	4,413

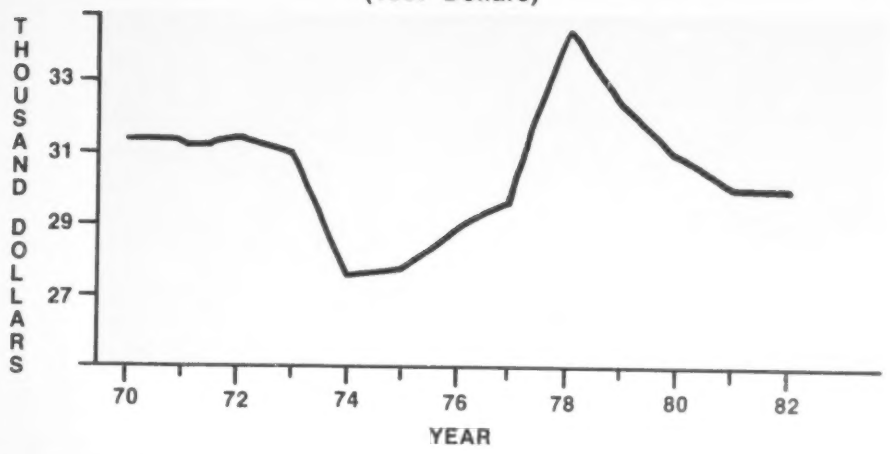
SOURCE: United States Department of Commerce, Bureau of the Census, *United States Statistical Abstract 1982-83.*

FIGURE 8.2
NEW JERSEY RETAIL SALES OF ALL ESTABLISHMENTS: 1972 to 1977
Millions of Current Dollars



SOURCE: United States Department of the Commerce, Bureau of the Census, *Retail Trade,* individual states.

FIGURE 8.3
ANNUAL RETAIL SALES PER EMPLOYEE IN NEW JERSEY
1970-1982
(1967 Dollars)

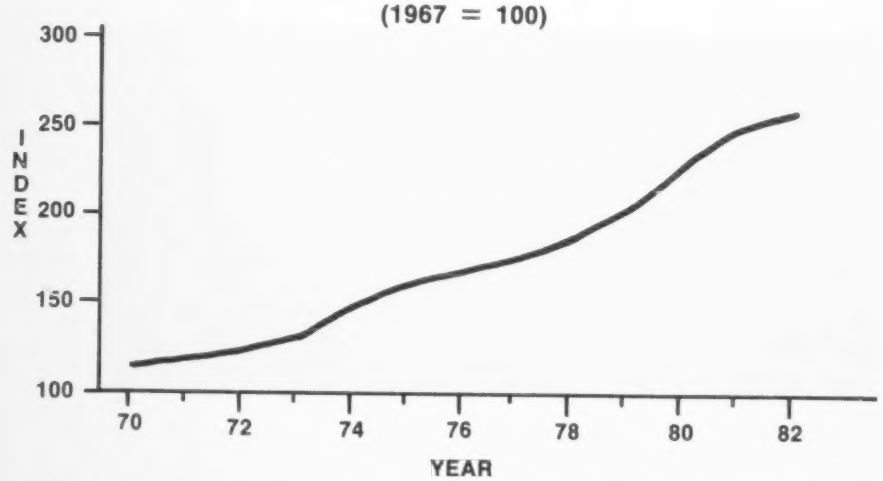


SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

1.4 Retail Prices

Between 1970 and 1982, New Jersey's retail prices increased on the average nearly one and a half times. The "commodities only" component of the New Jersey Consumer Price Index (1967 = 100) increased from almost 120 in 1970 to over 250 in 1982 (Figure 8.4).*

FIGURE 8.4
NEW JERSEY'S "COMMODITIES ONLY" CONSUMER PRICE INDEX, 1970-1982
(1967 = 100)



SOURCE: New Jersey Department of Labor, Division of Planning and Research, *New Jersey Economic Indicators* (various issues).

*"Commodities only" component of the Average New York-Northeastern New Jersey and Philadelphia-New Jersey Consumer Price Index for all urban consumers.

1.5 Wholesale Trade

Wholesale trade thrives in New Jersey due to a large "home" market as well as a location and transportation system which allow wholesalers to reach major markets overnight. New Jersey's 13,000 wholesale establishments had sales of $55.3 billion in 1977, the sixth highest total among states (Table 8.3). The value of the State's wholesale trade increased at an average annual rate of 11.9 percent from 1967 to 1977, compared to average increases of 10.6 percent for the nation.

TABLE 8.3
WHOLESALE TRADE
Regions and States

	Establishments 1977	Receipts ($ Billion)	Receipts Average Annual Change, 1967-77 (%)
United States	382,837	1,258.4	10.6
New England	18,830	58.4	10.5
New York	38,149	165.4	7.8
New Jersey	12,997	55.3	11.9
Pennsylvania	17,536	53.8	8.7
South Atlantic	54,189	153.2	14.96

SOURCE: United States Department of Commerce, Bureau of the Census, *Census of Wholesale Trade, 1977,* individual states.

In fact, wholesale trade has been a dominant industry in New Jersey. The State's wholesalers increased their share of the United States market from 3.9 percent to 4.4 percent from 1967 to 1977. In contrast, New Jersey's share of retail trade of the United States total fell from 3.7 percent in 1967 to 3.4 percent in 1977.

1.6 Sales by Establishment

New Jersey's grocery wholesalers and related wholesaling categories received $10.2 billion of the State total of $55.3 billion sales in 1977 (Table 8.4). Motor vehicles and auto parts were second with $7.7 billion, followed by machinery, equipment, and supplies ($6.0 billion) and petroleum and related products ($4.8 billion).

The largest increase in value of wholesale trade occurred in petroleum-related products, while machinery, equipment and supplies also increased substantially (Figure 8.5).

TABLE 8.4
NEW JERSEY WHOLESALE TRADE

	1977 Sales ($ Million)
Motor Vehicle & Auto Parts	7,744
Lumber and Construction	1,464
Metal and Minerals	3,125
Electrical	3,839
Hardware, Plumbing, Heating	1,141
Machinery, Equipment & Supplies	5,970
Paper & Paper Products	1,728
Groceries and Related	10,179
Petroleum & Related	4,792
Alcoholic Beverages	1,052
Chemicals and Allied	5,311
Drugs, Drug Proprietaries and Sundries	2,167
Apparel, Piece Goods and Notions	1,544
Sporting Goods, Hobbies and Toys	1,178
Other	4,093
TOTAL	55,327

SOURCE: United States Department of Commerce, Bureau of the Census. *Census of Wholesale Trade, 1977* (individual states).

The situation is different when the analyses are based on employment data where more recent figures are available. Of the 200,000 employed in the State's wholesale industry, over 42,000 were employed in the machinery and equipment category. Groceries and related products were second with almost 25,000 employees, followed by motor vehicles and automotive equipment (17,000 employees). Petroleum & Related Products rank third in value but very low in employment (less than 5,000). In general the employment composition of the State's wholesale trade does follow the national composition; there are, however, noticeable differences (Table 8.5).

1.7 Geographical Patterns

New Jersey's wholesale trade is largely concentrated near manufacturing centers and along the New Jersey Turnpike. Bergen County alone accounted for $14.8 billion in wholesale trade in 1977, while Bergen, Union ($7.9 billion) and Essex ($6.4 billion) together accounted for more than 50 percent of the State's wholesale trade. Other major wholesaling counties include Middlesex, Hudson, Camden, and Passaic. On the other end of the spectrum, Salem County had only $58 million in wholesale establishments receipts.

TABLE 8.5
COMPOSITION OF WHOLESALE EMPLOYMENT IN 1981
New Jersey and United States

	NEW JERSEY		UNITED STATES	NJ-US Percentage Points
	Number	% of Total	% of Total	Difference
Motor Vehicles & Automotive Equipment	17,390	8.77	7.96	+.81
Furniture & Home Furnishings	5,516	2.78	2.28	+.50
Lumber and Construction Materials	7,414	3.74	3.44	+.30
Sporting Goods, Toys and Hobby Goods	5,990	3.02	1.35	+1.67
Metal and Minerals Except Petroleum	6,761	3.41	2.80	+.61
Electrical Goods	16,317	8.23	8.48	-.25
Hardware Plumbing & Heating Equipment	8,512	4.29	4.60	-.31
Machinery, Equipment & Supplies	42,519	21.45	26.27	-4.82
Miscellaneous Durable Goods	6,968	3.51	3.69	-.18
Paper and Paper Products	9,586	4.84	3.03	+1.80
Drugs, Proprietaries & Sundries	7,515	3.79	2.91	+.88
Apparel, Piece Good & Notions	9,490	4.79	3.24	+1.54
Groceries & Related Products	24,776	12.50	12.39	+.11
Chemicals & Allied Products	8,639	4.35	2.62	+1.73
Petroleum & Petroleum Products	4,844	2.44	4.46	-2.02
Beer, Wine & Distilled Beverages	3,952	1.99	2.76	-.77
Miscellaneous Nondurable Goods	11,521	5.81	7.63	-1.82
Total	198,180	100.0	100.0	—

SOURCE: United States Department of Commerce, Bureau of the Census, *County Business Patterns, 1981;* United States Department of Labor, *Employment and Earnings* (various issues)

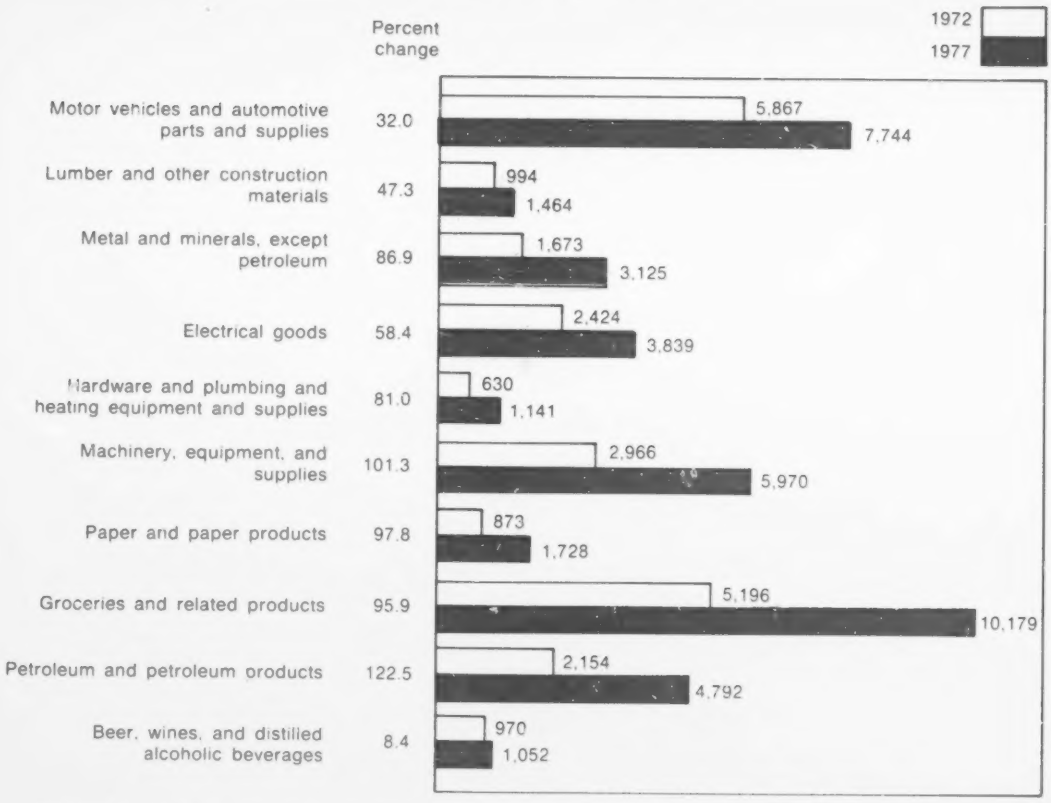
2. SERVICES

Service industries have played a significant part in New Jersey's development providing jobs for over 661,500 people. Service industries employ over 21 percent of the State's non-agricultural workers. In 1977, New Jersey's more than 60,000 service establishments collected receipts of over $6 billion.

2.1 Service Industry Employment

New Jersey's service industry has grown consistently since 1960, following a nationwide trend. In 1960 New Jersey employed 3.42 percent of our country's service employees; in 1982 the State employed 3.48 percent (Table 8.6).

FIGURE 8.5
NEW JERSEY WHOLESALE SALES BY KIND OF BUSINESS: 1972-1977
Millions of Current Dollars



SOURCE: United States Department of Commerce, Bureau of the Census, *Census of Wholesale Trade, 1977*.

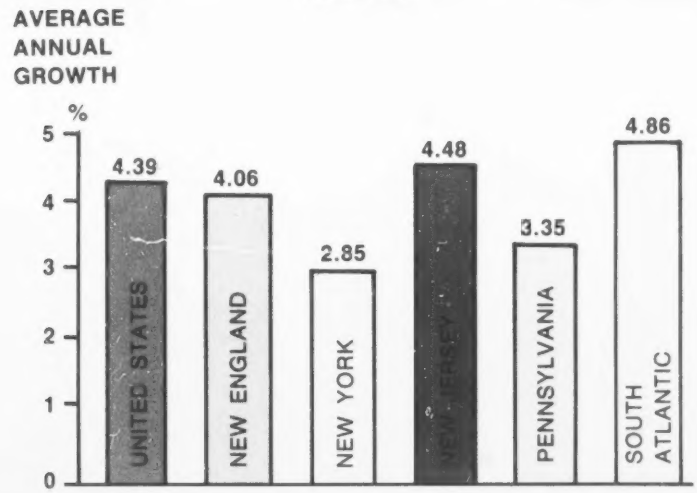
TABLE 8.6
SERVICE INDUSTRY EMPLOYMENT AS PERCENT OF UNITED STATES, 1960-1982

	1960		1982	
	Employees (000)	Percent	Employees (000)	Percent
United States	7,378	100.0	19,001	100.0
New England	513.6	6.96	1,232.9	6.49
New York	978.0	13.26	1,815.8	9.56
New Jersey	252.0	3.42	661.5	3.48
Pennsylvania	505.8	6.86	1,044.8	5.50
South Atlantic	1,043.5	14.14	2,963.9	15.60

SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings* (various issues).

Between 1960 and 1982 the average annual rate of growth of service industry employment in New Jersey was 4.48 percent—above the rate in United States and our neighboring states but below the rate in the South Atlantic. (Figure 8.7).

FIGURE 8.7
SERVICE INDUSTRY EMPLOYMENT GROWTH
1960-1982



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings* (various issues).

SERVICE INDUSTRIES MIX

The two largest service industries in the State are health and business services. Together they employ over 52 percent of the New Jersey's service workers. Other large employers in the State are educational and hotel services (Table 8.7).

Total service employment in the State grew at an average annual rate of 4.81 percent between 1970 and 1980. The most significant increase occurred with the legalization of gambling in the State. Hotel and lodging service experienced an average annual increase of 7.16 percent (Table 8.8). Business services increased by 6.04 percent annually, while health services grew at a 5.88 percent rate. In addition, there were significant changes in the composition of the service sector (Figure 8.8).

TABLE 8.7
NEW JERSEY SERVICE INDUSTRY RANKED BY EMPLOYMENT, 1980

Category of Services	Percent of Total Employment
Health	30.39
Business Services	22.07
Educational Services	6.85
Hotel and Lodging	5.98
Personal Services	5.52
Non Profit (membership organizations)	5.38
Social Services	4.91
Legal Servcies	3.39
Auto Repair and Garage	3.34
Amusements and Recreation	2.86
Miscellaneous Repairs	2.09
Motion Pictures	.65
Museums, Botanical and Zoological Services	.08
Miscellaneous Services	5.60
Administrative and Auxiliary	.87

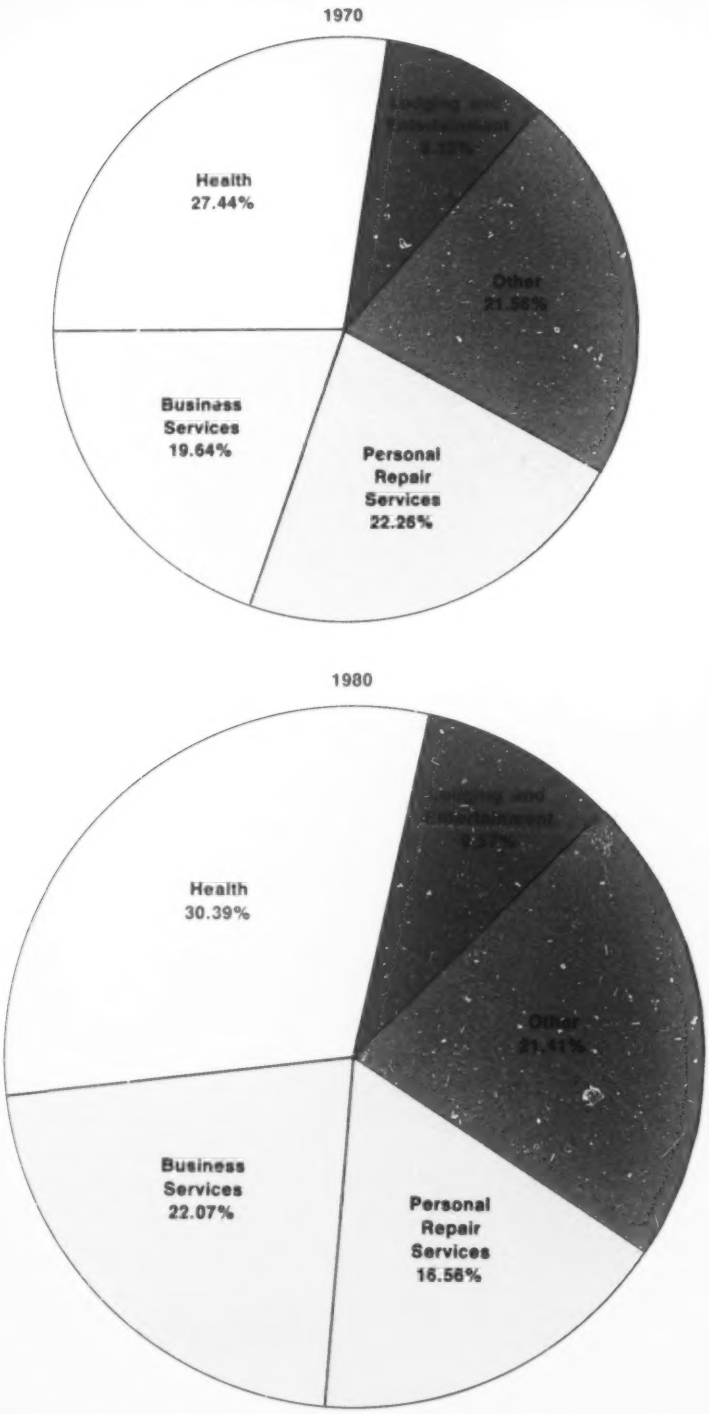
SOURCE: United States Department of Commerce, Bureau of the Census, *County Business Patterns*, 1980.

TABLE 8.8
GROWTH IN NEW JERSEY'S SERVICE EMPLOYMENT
1970-1980

	1970	1980	Average Annual Rate of Change (%) 1970-1980
Health	94,818	167,919	5.88
Business Services	67,879	121,969	6.04
Personal, Repair Services			
Personal Services	35,314	30,503	-1.45
Auto Repair Services & Garage	13,595	18,470	3.11
Miscellaneous Repairs	7,978	11,571	3.79
Miscellaneous Services	20,025	30,976	4.46
Lodging and Entertainment			
Hotel and Lodging	16,562	33,063	7.16
Amusements & Recreation	10,803	15,830	3.89
Motion Pictures	3,860	3,580	- .75
Other			
Educational Services	27,048	37,863	3.42
Non-Profit & Membership Organizations	33,488	29,714	-1.19
Social Services	—	27,152	—
Legal Services	10,142	18,754	6.34
Administrative & Auxiliary	3,809	4,812	2.36
STATE TOTAL	345,539	552,592	4.81

SOURCE: United States Department of Commerce, Bureau of the Census, *County Business Patterns*, 1970-80.

FIGURE 8.8
GROWTH AND SHARES OF NEW JERSEY'S SERVICE EMPLOYMENT, 1970-1980



SOURCE: United States Department of Commerce, Bureau of the Census, *County Business Patterns*, 1970-80.

SUMMARY

Wholesale and retail trade employed nearly 700,000 workers in 1982, over one-fifth of New Jersey's nonagricultural employment. From 1960 to 1970 employment in the sector increased by 43 percent and another 30 percent from 1970 to 1982.

Retail sales in 1981 in New Jersey totalled $35.4 billion, or $4,777 per capita. Retail prices rose nearly one-and-a-half times between 1970 and 1982; real sales per employee fluctuated over the twelve-year period, but 1982 sales were about $1,000 below the 1970 figure.

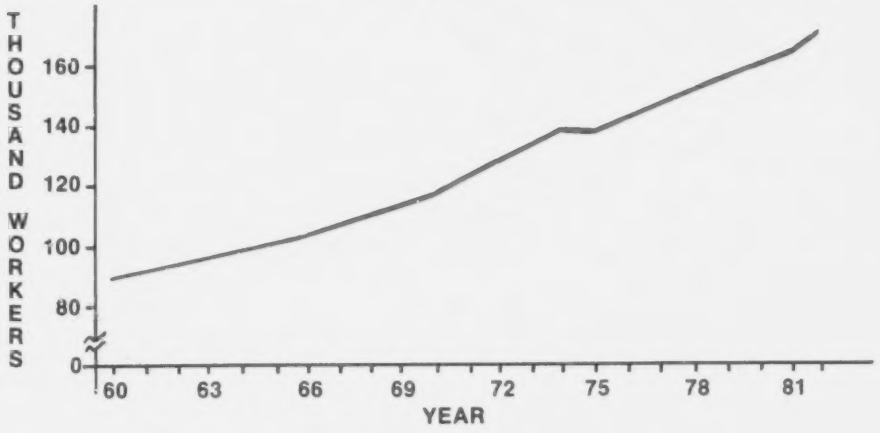
Wholesale trade in the State has grown faster than in neighboring states and in New England. Almost 200,000 persons were employed in the sector in 1981.

Services have expanded in New Jersey as in the nation and the State has increased its national share of service employment from 3.42 percent in 1960 to 3.48 percent in 1980. Hotel and lodging were the fastest-growing of the services (7% average annual increase in the 1970's) with business services close behind (6%). Health services had the largest share (30.39%) of total service employment in 1980.

IX. FINANCE, INSURANCE AND REAL ESTATE

The Finance, Insurance and Real Estate (FIRE) industries have become increasingly important to the State's economy providing services that facilitate the production and distribution of goods for intermediate use or for final consumption. In New Jersey as in the nation the FIRE industries have grown rapidly during recent years (Figure 9.1).

FIGURE 9.1
NEW JERSEY FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT
1960-1982



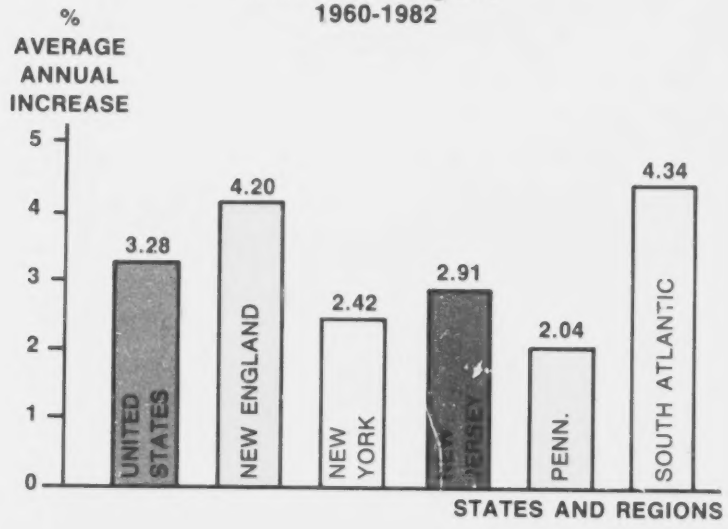
SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, various years.

New Jersey's finance, insurance and real estate employment has grown almost continuously for over twenty years following a national trend. Employment in this sector grew from 88,600 in 1960 to 166,700 in 1982. New Jersey's average annual rate of growth, 2.91 percent, was higher than both New York and Pennsylvania but below the United States rate (Figure 9.2) as well as the rates of the New England and South Atlantic regions.

1. FINANCE

New Jersey has a large and effective financial sector serving the State's 7.4 million residents, as well as its large business sector. In 1982, New Jersey's 1,122 financial institutions (excluding insurance companies) held combined assets of over 75 billion dollars (Table 9.1).

FIGURE 9.2
FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT GROWTH
States and Regions
1960-1982



SOURCE: United States Department of Labor, Bureau of Labor Statistics, *Employment and Earnings.*

TABLE 9.1
NEW JERSEY FINANCIAL INSTITUTIONS
1978 and 1982

	Number of Institutions		Total Assets (million)	
	1978	1982	1978	1982
Banks (Commercial, State and Federal)	185	148	$32,042	$42,224
Savings Banks	20	26	6,498	13,600
Insured Savings and Loan Associations	195	144	15,738	17,629
Secondary Mortgage Licensees	440	436	431	867
Small Loan Licensees	339	218	683	567
Insurance Premiums, Finance Companies	89	74	91	96
Pawn Brokers	24	22	5	6
Credit Unions	59	54	84	130
TOTAL	1351	1122	$57,573	$75,122

SOURCE: New Jersey Department of Banking.

The total number of financial institutions decreased by 20 percent between 1978 and 1982. Within this four year period, the largest decrease was in the number of Savings and Loan Associations which fell 35 percent. Since 1978 banks have found it difficult to continue to operate because they are only receiving from 8 to

10 percent interest on old twenty and thirty years mortgages, while the new interest rate has reached as high as 15 percent. For this reason, many banks have consolidated, merged or were sold in the last few years. Despite the smaller number of institutions, their assets increased from $57.6 billion in 1978 to $75.1 billion in 1982.

New Jersey insured commercial banks held only 1.76 percent of all United States insured commercial bank assets in 1982 (Table 9.2). This is down from 1978 when New Jersey banks held 2.53 percent of the nation's bank assets.

TABLE 9.2
COMMERCIAL BANKS ASSETS AND DEPOSITS, 1982

	Deposits	Assets
United States	$1,707,231,408,000	$2,405,044,122,000
New Jersey	35,045,297,000	42,224,178,000

SOURCE: New Jersey Department of Banking.

2. INSURANCE

2.1 Insurance Companies

The number of insurance companies which make the State their home has decreased from 67 in 1978 to 60 in 1981—a decrease of 10.4 percent (Table 9.3). The largest decrease occurred in the number of fire and casualty companies based in the State, which dropped 21.6 percent in the three year period.

TABLE 9.3
INSURANCE COMPANIES BASED IN NEW JERSEY
1978 and 1981

	Companies	
	1978	1981
Fire and Casualty	37	29
Life	15	17
Fraternal Benefit Society	6	6
Medical	2	2
Hospital Service Corporations	2	2
Dental Service Corporations	1	1
Title Insurance	3	3
Mortgage Guarantee	0	0
Investment Associations	1	0
TOTAL	67	60

SOURCE: New Jersey Department of Insurance, *Annual Report of the Commissioner of Insurance* (various years).

2.2 Insurance Coverage

In 1982, 974 insurance companies offered coverage in New Jersey. Nearly 50 percent of these companies were fire and casualty companies and 33 percent were life insurance companies (Table 9.4).

TABLE 9.4
INSURANCE COMPANIES OPERATING IN NEW JERSEY, 1982

	Companies Operating	Percent of Total
Fire and Casualty	486	49.90
Life	324	33.26
Fraternal Benefit Society	71	7.29
Medical	2	.21
Hospital Service Corporation	2	.21
Dental Service Corporation	1	.10
Title Insurance	71	7.29
Mortgage Guarantee	16	1.64
Investment Association	1	.10
TOTAL	974	100.00

SOURCE: *1982 Life Insurance Fact Book*, American Council of Life Insurance.

The average policy value per family in New Jersey is higher than that in neighboring states (Table 9.5). With over 12 million policies valued at more than $150 billion, New Jersey's average policy value per family is $54,000, nearly $9,000 higher than the values for New York and Pennsylvania.

TABLE 9.5
LIFE INSURANCE IN FORCE
United States and Mid-Atlantic Region, 1981

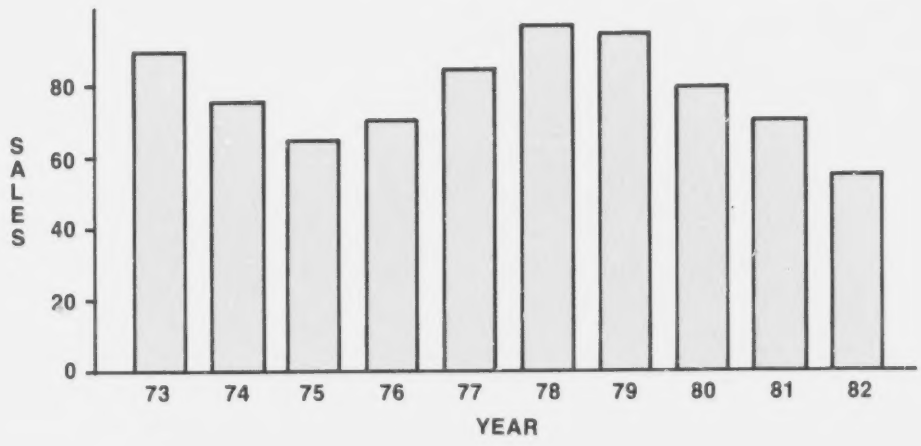
	Policies (thousands)	Value of Policies (million)	Average Value Per Family
United States	399,514	4,063,595	45,700
New York	26,306	312,752	45,200
New Jersey	12,089	150,003	54,000
Pennsylvania	23,573	206,828	45,100

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

3. REAL ESTATE

Real estate sales over the past ten years have fluctuated widely with low numbers of sales occurring during the 1975 and 1982 recessions (Figure 9.3). Sales in 1982 were further restricted by extraordinarily high interest rates. The number of sales were at their highest in 1978 with over 96,000 transactions.

FIGURE 9.3
NEW JERSEY'S REAL ESTATE PROPERTY SALES
(thousands)
1973-1982



SOURCE: New Jersey Department of the Treasury, Division of Taxation, *Average Assessment/Sales Ratio in New Jersey*, various dates.

In 1982, over 53 thousand properties were sold in New Jersey—a decrease of 22 percent from the previous year. Sales of farm property decreased by 26 percent, while business property sales decreased by only 15 percent (Table 9.6).

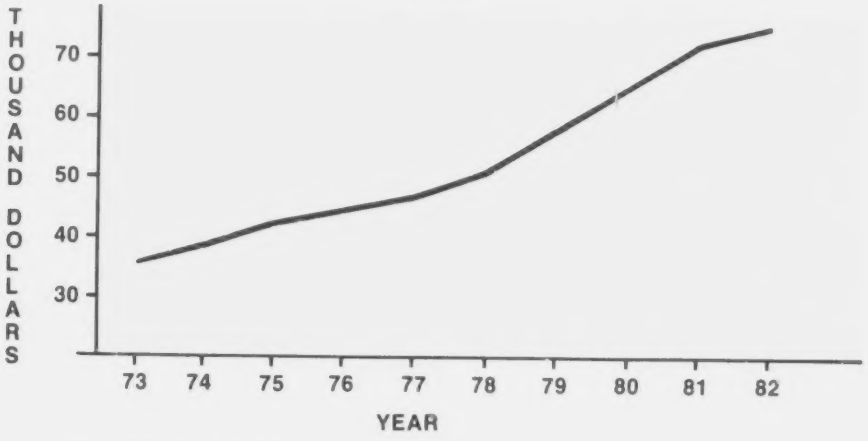
TABLE 9.6
NEW JERSEY REAL ESTATE SALES, 1981-1982

Property Class	1981	1982	Percent Change	1982 Aggregate Selling Price ($000)
Residential	59,929	46,401	-22.57	3,455,505
Business	3,893	3,298	-15.28	613,311
Vacant Land	5,479	4,136	-24.51	154,480
Farm	81	60	-25.93	5,180

SOURCE: New Jersey Department of the Treasury, Division of Taxation, *1983 Average Assessment/Sales Ratio—New Jersey.*

The average selling price of residential property has more than doubled over the past ten years. While in 1973 the average price was $35,764, it has grown at an average annual rate of 8.5 percent to $74,470 in 1982 (Figure 9.4).

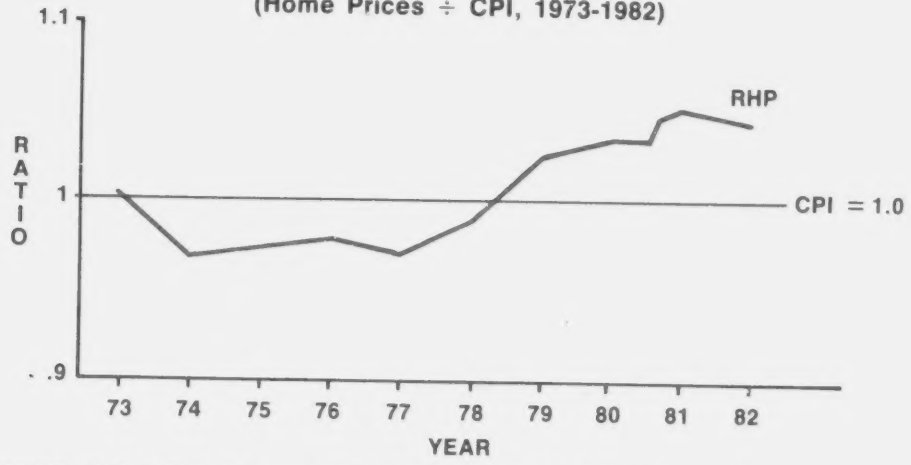
FIGURE 9.4
AVERAGE SELLING PRICE OF RESIDENTIAL PROPERTY IN NEW JERSEY
1973-1982



SOURCE: New Jersey Department of the Treasury, Division of Taxation, *Average Assessment/Sales Ratio in New Jersey*, various years.

Between 1973 and 1978, prices of homes grew at lower rates than general inflation; while, subsequent to 1977, they grew at much higher rates (Figure 9.5). Relative prices of homes fluctuate with mortgage markets, the availability of funds, interest rates and inflation expectations.

FIGURE 9.5
RELATIVE HOME PRICES (RHP)
(Home Prices ÷ CPI, 1973-1982)



SOURCE: United States Department of Labor (CPI) and New Jersey Department of the Treasury.

SUMMARY

Employment in the finance, insurance and real estate sector grew from 88,600 in 1960 to 166,700 in 1982, an annual rate of nearly three percent per year; higher than neighboring states but lower than the United States.

New Jersey's commercial banks held only 1.76 percent of United States commercial bank assets in 1982. Deposits in these banks totalled $35 billion; total assets were $42 billion. Total assets of all financial institutions in New Jersey were over $75 billion in the same year.

Sixty insurance companies had home offices in New Jersey in 1981 and nearly one thousand insurance companies sold policies in the State. Almost 50 percent of the total were fire and casualty companies; one-third were life insurance companies.

New Jersey families were insured more heavily than the average American family or families in neighboring states. New York and Pennsylvania families averaged about the same amount of policy value as the United States ($45,000-46,000) while New Jersey's average value was $54,000.

Real estate property sales were very cyclical during the past ten years. The average selling price for residential property in 1982 was over $70,000.

X. EDUCATION AND CULTURE

New Jersey's excellent and continually improving higher education institutions, along with its many fine primary and secondary school systems, provide the basis for the State's expanding high technology sector. In keeping with its broadening educational opportunities, the State provides a wide variety of cultural offerings seldom found outside of the world's largest cities.

1. EDUCATION

1.1 Educational Attainment

In 1980, 67.8 percent of New Jersey's population twenty-five years and older were high school graduates (Table 10.1 and Figure 10.1). This was higher than the 66.3 percent United States figure, but the New England proportion was higher than that of New Jersey with 70.7 percent of its twenty-five years and older population being high school graduates. New Jersey's population twenty-five years and older with four or more years of college was 18.6 percent of total population, 2.3 points higher than the United States figure. New England had 19.3 percent of its people with four or more years of college.

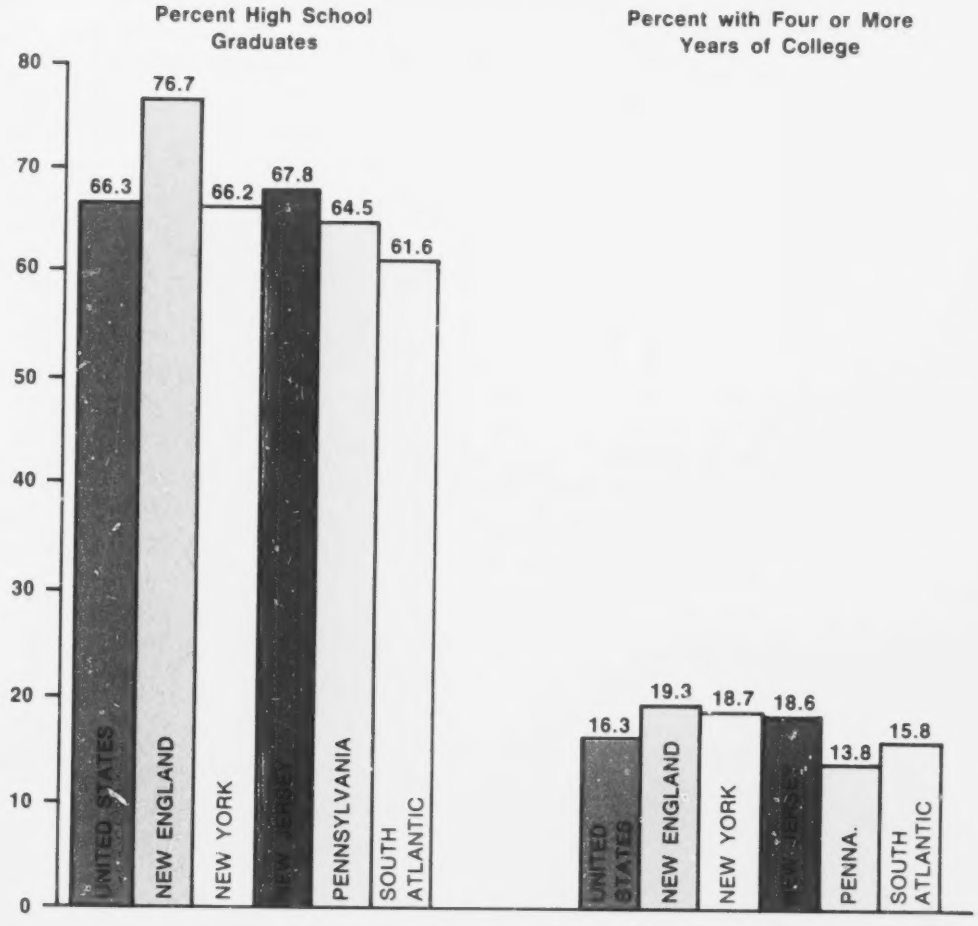
TABLE 10.1
SCHOOLING AND EDUCATIONAL ATTAINMENT FOR POPULATION TWENTY-FIVE YEARS AND OLDER, 1980

	Percent High School Graduates	Percent with Four or More Years of College
United States	66.3	16.3
New England	70.7	19.3
New York	66.2	18.7
New Jersey	67.8	18.6
Pennsylvania	64.5	13.8
South Atlantic	61.6	15.8

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

Illiteracy rates dropped significantly from 1950 to 1970 in New Jersey as well as in the nation as a whole (Figure 10.2). Rates have not been calculated for more recent years.

FIGURE 10.1
POPULATION TWENTY-FIVE YEARS AND OLDER WITH HIGH SCHOOL OR COLLEGE EDUCATION, 1980



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

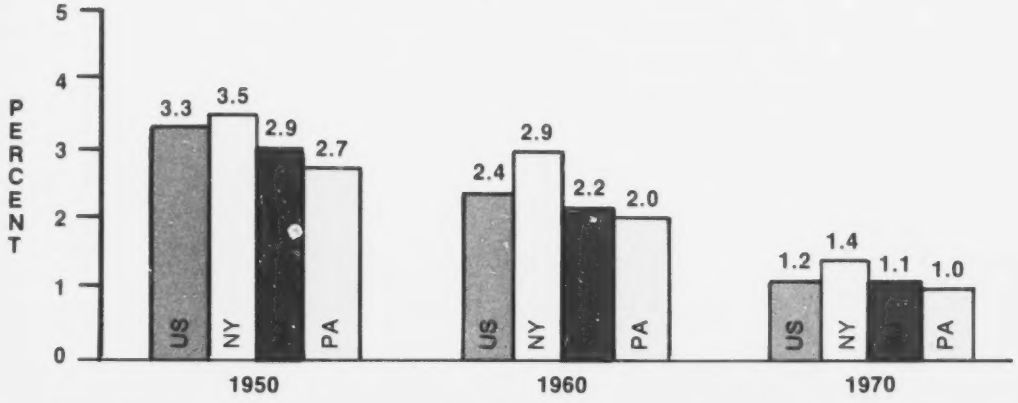
1.2 Public School Enrollment

New Jersey's public school enrollment, which peaked in 1972, has declined from a high of 1.5 million to less than 1.2 million in 1982-83 (Figure 10.3). This sharp decline in the last ten years is largely due to the slow growth in the State's population during the 1970's.

1.2.1 Public School Enrollment by Race

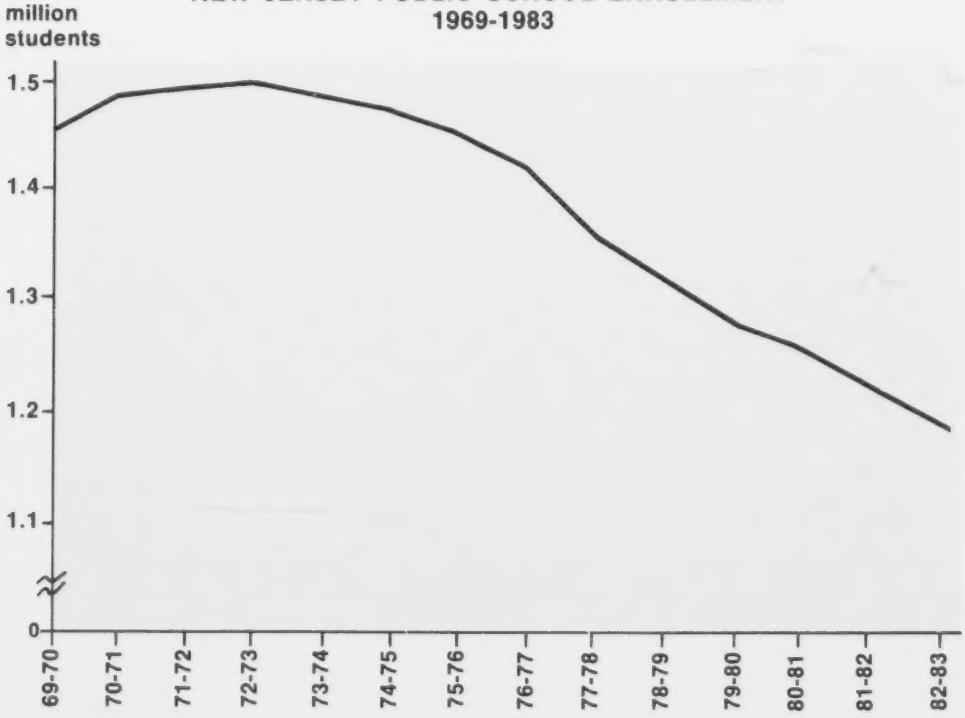
In 1981, whites comprised 70.7 percent of public school enrollment in New Jersey. Black and Hispanic populations made up only

FIGURE 10.2
ILLITERACY RATES, 1950-1970
(Percent of Population over 14 Years)



SOURCE: United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics,* various years.

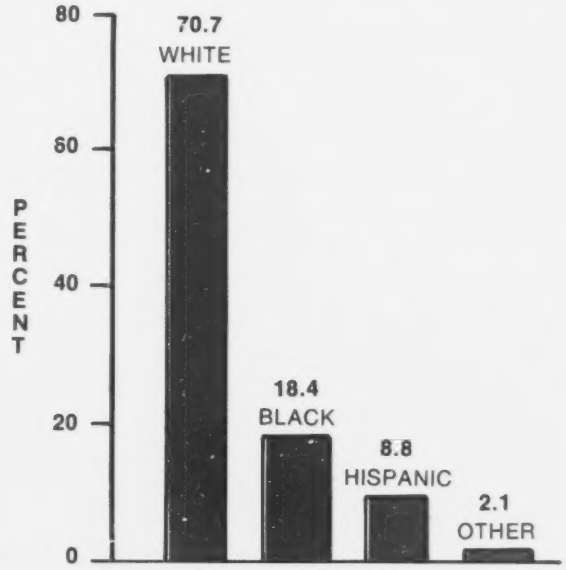
FIGURE 10.3
NEW JERSEY PUBLIC SCHOOL ENROLLMENT
1969-1983



SOURCES: United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 1982;* New Jersey Department of Education, Office of Management Information, *Interim Enrollment Projection, New Jersey Public School Districts;* New Jersey Department of Education, Division of Planning, Research and Evaluation, *Vital Educational Statistics, 1981-82.*

18.4 and 8.8 percent of total enrollment, respectively (Figure 10.4). The other 2.1 percent consisted of "other" non-whites enrolled in New Jersey's public schools.

FIGURE 10.4
PERCENT OF PUBLIC SCHOOL ENROLLMENT IN NEW JERSEY BY RACE/ETHNIC GROUP, 1981



SOURCE: New Jersey Department of Education

1.3 Private School Enrollment

For most states private school enrollment figures also decreased between 1970 and 1980 (Table 10.2). In 1970, 17.7 percent of the State's elementary and secondary students were in private schools; in 1980, the figure had decreased to 15.8 percent. The South Atlantic region registered a gain in the percentage of students attending private schools (7.5% in 1970 and 8.7% in 1980).

TABLE 10.2
PERCENT OF ELEMENTARY AND SECONDARY STUDENTS ATTENDING PRIVATE SCHOOLS

	1970	1980
United States	11.3	10.9
New England	15.1	12.3
New York	18.3	16.9
New Jersey	17.7	15.8
Pennsylvania	18.6	17.6
South Atlantic	7.5	8.7

SOURCE: United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 1982.*

1.4 Pupils Per Teacher

The ratio of pupils per teacher is often considered in attempts to measure the quality of education. Smaller classes allow teachers to give students more individual attention and make it easier to maintain an atmosphere conducive to learning. In 1970, the pupil/teacher ratio in New Jersey was 21.7; by 1980, this decreased to 16.3—a decline of almost 25 percent (Figure 10.5). The nationwide average also decreased from 22.8 in 1970 to 18.8 in 1980 (-17.5%). In 1980, a comparison between New Jersey and other Atlantic states showed that New Jersey has the lowest pupil/teacher ratio. New England's ratio was approximately the same as the State with 16.8.

1.5 Professional Staff Members Per Pupil

Classroom teachers, however, are not the only educators in a school. Administrators, supervisors, special services personnel, counselors, and special class teachers are all important parts of the educational process. Together with classroom teachers they make up a school's professional staff. In New Jersey the size of the ratio of professional staff members per weighted pupils (weighted to allow for special/different needs of the pupils) has increased from 1960 to 1980 (Figure 10.6). After 1978, pupil weighting was eliminated, so the 1979 and 1980 figures include gross numbers of pupils.

1.6 Educational Attainment of Faculty

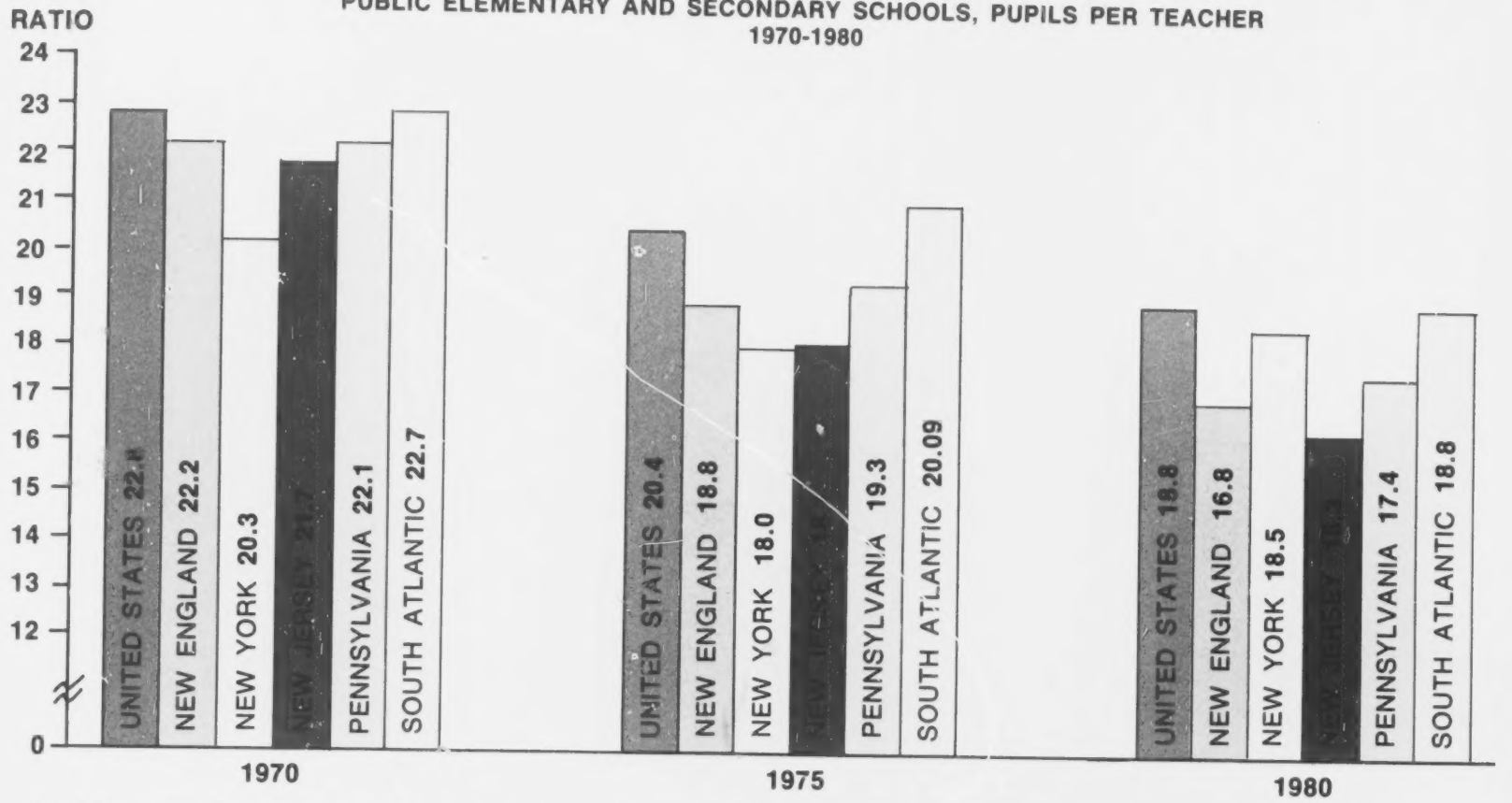
Quantity of instructional personnel is, of course, an incomplete measure of a good education. The pertinent measure is quality of instruction. One way to measure the quality of education is the educational attainment of the faculty. In 1982, 99.5 percent of the supervisors in New Jersey's public schools had degrees; 84.9 percent had master's; 4.5 percent bachelor's degrees and 9.5 percent doctor's degrees. Fully 98.8 percent of the classroom teachers possessed degrees; 63.3 percent had bachelor's degrees; 34.9 percent master's and .5 percent had doctorates (Table 10.3).

TABLE 10.3
CREDENTIALS OF PUBLIC SCHOOL EDUCATORS IN NEW JERSEY, 1982

	Highest Degree Held (%)				
	None	Bachelor's	Master's	Doctor's	Other
Supervisors	.5	4.5	84.9	9.5	.6
Classroom Teachers	1.2	63.3	34.9	.5	.1
Special Services	2.3	34.1	60.4	2.4	.8

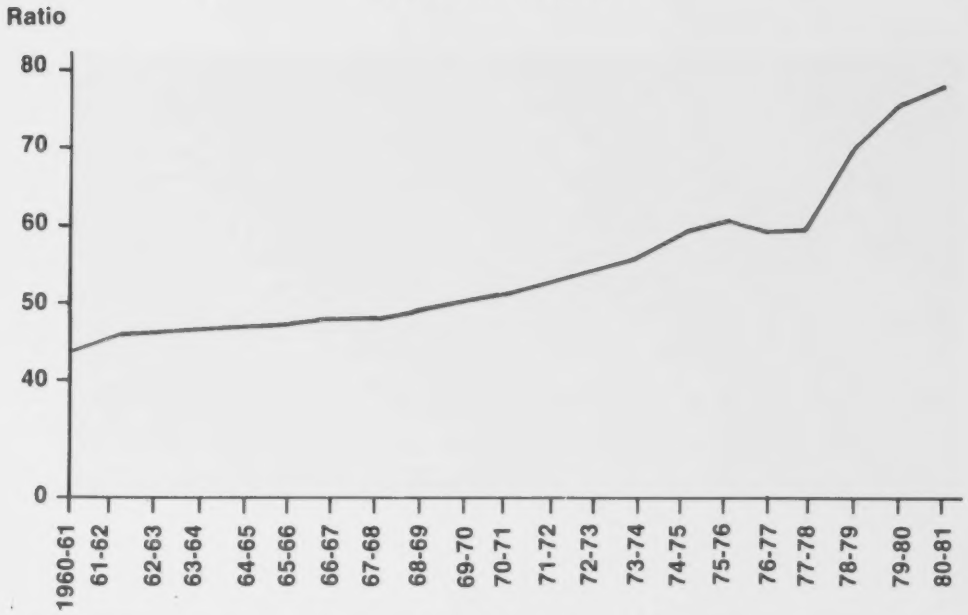
SOURCE: New Jersey Department of Education, *Vital Education Statistics of New Jersey, 1982-83.*

FIGURE 10.5
PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, PUPILS PER TEACHER
1970-1980



SOURCE: National Center for Education Statistics, *Public Elementary and Secondary Education in the United States, 1980-81; Statistics for Public Elementary and Secondary Day Schools,* 1976.

FIGURE 10.6
NEW JERSEY PROFESSIONAL STAFF MEMBERS* PER THOUSAND PUPILS
1960-61 to 1980-81



SOURCE: New Jersey Department of Education, Office of Research

*Nurses and certain part-time personnel were included in 1977.

1.7 Finance and Expenditures

In 1981, New Jersey's expenditures per pupil averaged $2,791, the eighth highest level in the nation (Table 10.4). Among those spending more per pupil were New York State ($3,358), Massachusetts ($3,174) and Pennsylvania ($2,798). The nationwide average per-pupil expenditure was $2,350, which represented 4.1 percent

TABLE 10.4
CURRENT EXPENDITURES FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS 1980-1981

	Total ($000)	Per Pupil ($)	As Percent of Personal Income
United States	$88,607,176	2,350	4.1
New England	5,521,800	2,757	4.4
New York	8,488,000	3,358	4.7
New Jersey	3,177,506	2,791	3.9
Pennsylvania	4,863,600	2,798	4.3
South Atlantic	12,756,674	2,077	3.9

SOURCE: United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 1982.*

of total personal income. New Jersey's per pupil expenditures averaged 3.9 percent of personal income; New York was higher, spending 4.7 percent of its personal income on elementary and secondary education.

1.7.1 Sources of Revenues

New Jersey relies heavily on local sources to finance schools (Table 10.5). During the 1980-81 school year only 3.42 percent of the State's school revenues came from the federal government; 33.53 percent came from the state government, while 63.05 percent of total revenues came from local and other sources, compared to the national figure of 44.73 percent. In the United States as a whole, 46.85 percent of school revenues came from state governments and 9.8 percent from the federal government.

TABLE 10.5
SOURCES OF SCHOOL REVENUES, 1980-81

	Total (million $)	Percent Federal	Percent State	Percent Local and Other
United States	$99,841	8.42	46.85	44.73
New England	6,089	6.00	32.25	61.75
New York	9,720	4,78	40.69	54.53
New Jersey	3,740	3.42	33.53	63.05
Pennsylvania	5,226	7.96	43.88	48.16
South Atlantic	14,068	11.03	49.97	39.00

SOURCE: United States Department of Education, National Center for Education Statistics, *Digest of Education Statistics, 1982.*

1.7.2 School Expenditures

For the 1980-81 school year 58.83 percent of New Jersey's $3.6 billion school expenditures was used for instruction (Figure 10.7), 11.4 percent for plant operation and maintenance and 1.2 percent for attendance and health services. Administration and transportation was 7.4 percent of the total expenditures and capital outlay and debt services required 5.7 percent of the total budget.

1.7.3 State School Finance

Local property taxes are the main source of revenues for primary and secondary education revenues. Equalized property valuations per pupil vary due to the differences in both property values and enrollments. In 1982, Cape May County's average equalized valuation per pupil was $466,623; while Cumberland County's was $67,723 per pupil (Table 10.6). This means that in

order for Cumberland County to produce the same revenue per pupil as Cape May, its tax levy would have to be more than six times as high as Cape May.

TABLE 10.6
PUBLIC SCHOOL ENROLLMENTS AND EQUALIZED VALUATIONS BY COUNTY, 1982

	Enrollment	Average Equalized Valuation/Pupil ($)
Atlantic	32,191	247,814
Bergen	116,047	255,279
Burlington	65,437	105,683
Camden	83,468	97,012
Cape May	11,792	466,623
Cumberland	26,666	67,723
Essex	137,087	101,868
Gloucester	37,613	107,595
Hudson	75,602	84,555
Hunterdon	17,305	166,219
Mercer	46,921	142,720
Middlesex	94,191	158,526
Monmouth	87,948	144,856
Morris	73,661	191,582
Ocean	60,665	185,650
Passaic	72,140	128,656
Salem	13,064	80,874
Somerset	33,985	212,996
Sussex	24,634	124,152
Union	73,867	178,065
Warren	15,744	121,777
STATE	1,200,063	152,2059

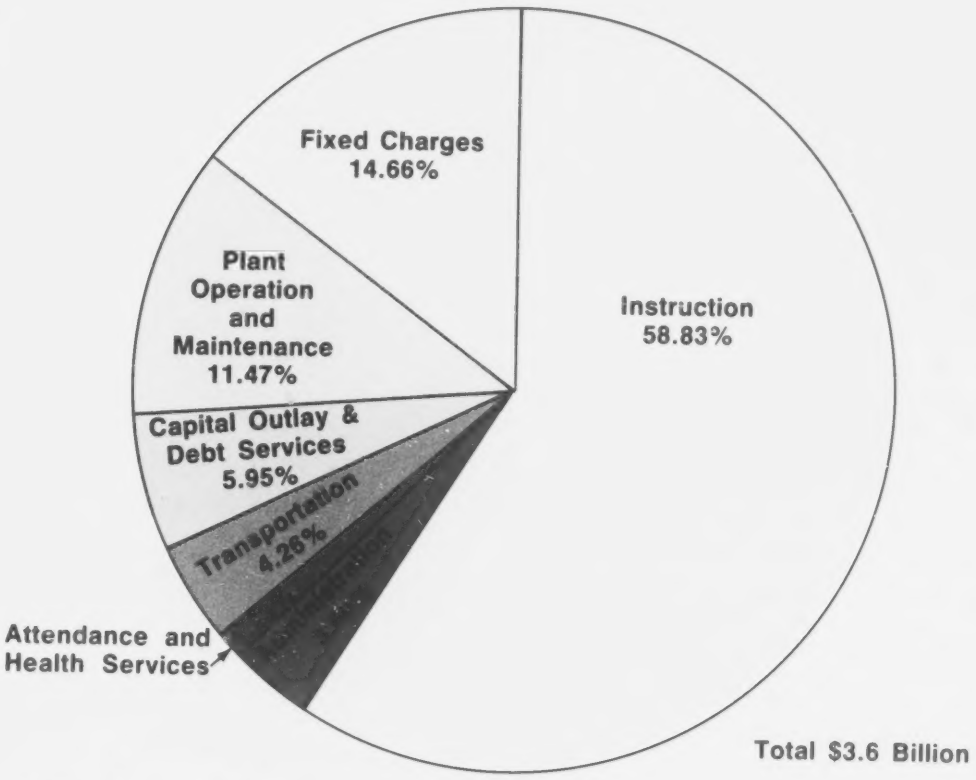
SOURCE: New Jersey Department of Education, Office of Finance.

There are also differences in expenditures per pupil throughout the State. An example of these differences can be seen in one county's cities. In 1982, Lakehurst's expenditures per pupil amounted to $2,733 while Mantoloking spent $6,287 per pupil—more than twice Lakehurst's expenditures (Table 10.7). There is apparently a strong correlation between property valuation and per pupil expenditures in New Jersey. Lakehurst's 1982 equalized valuation per pupil was $37,906, while Mantoloking's was $8,115,717.

1.8 Dropout Rates

Dropout rates, in 1982, ranged from a low of .6 percent in Hunterdon County where spending per pupil was $3,461, to a high of 2.7 percent in Passaic County where spending per pupil was $2,939 (Table 10.8). Other counties with low dropout rates were

FIGURE 10.7
EXPENDITURES FOR NEW JERSEY PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
1980-1981



SOURCE: New Jersey Department of Education, Office of Finance.

TABLE 10.7
PER PUPIL PROPERTY WEALTH AND EXPENDITURES
Selected Districts
1982

	Averaged Equalized Valuation Per Pupil ($)	Total Adjusted Expenditures Per Pupil ($)
Low Wealth Districts		
Winfield (Union)	$ 15,297	$4,434
North Hanover (Burlington)	21,850	2,264
Camden City (Camden)	25,198	2,946
Newark (Essex)	34,830	3,455
Lakehurst (Ocean)	37,906	2,733
High Wealth Districts		
Mantoloking (Ocean)	8,115,717	6,287
Stone Harbor (Cape May)	3,717,659	4,913
Longport (Atlantic)	3,716,375	4,368
Interlaken (Monmouth)	2,995,198	9,375

SOURCE: New Jersey Department of Education, Office of Finance.

TABLE 10.8
DROPOUTS AS PERCENT OF ENROLLMENT
September 1981 to August 1982

Atlantic	2.1	Middlesex	1.5
Bergen	.9	Monmouth	1.5
Burlington	1.1	Morris	1.0
Camden	1.6	Ocean	1.9
Cape May	2.0	Passaic	2.7
Cumberland	2.2	Salem	2.5
Essex	1.9	Somerset	.9
Gloucester	1.3	Sussex	1.0
Hudson	2.3	Union	1.2
Hunterdon	.6	Warren	1.7
Mercer	1.9		
		TOTAL	1.6

SOURCE: New Jersey Department of Education, *New Jersey Public School Racial/Ethnic Data, 1982-1983.*

Bergen and Somerset (.9%), and higher dropout rates are found in Salem (2.5%) and Hudson (2.3%). Many factors influence dropout rates; per pupil spending is but one of the total number.

1.9 Student Performance

The Minimum Basic Skills Test is a device used to measure student's abilities in reading and mathematics. According to the State Department of Education, 87.9 percent of ninth-grade students met or exceeded the statewide standard in reading and 89.3 percent met the standard in mathematics in 1982-83. Suburban schools registered high percentages with 95.2 percent meeting the reading standard and 95.3 percent meeting the mathematics standard. Much lower percentages occurred in urban schools with 80.1 and 82.7 percent meeting standards in reading and mathematics, respectively.

1.10 Higher Education

Higher education is more important than ever for today's high-technology-oriented economy and for young people preparing to enter into the job market. Higher education institutions are introducing new and more diversified curricula in order to meet the needs of the students and prospective employers.

1.10.1 Freshmen Student Migration

Student migration has been a problem in New Jersey for many years. In 1981, 90,817 of the State's residents entered college as first-time freshmen. Of this total amount, 32.6 percent attended

college out of the State; this was more than twice the national average of 12.4 percent (Table 10.9). A total of 29,578 of New Jersey's first-time freshmen left the State, while only 3,568 students entered New Jersey to attend college, a net out-migration of 26,015.

One plausible reason for the high out-migration of students in New Jersey is the State's higher than average per capita personal income which enables many families to send their children to colleges out-of-state.

TABLE 10.9
FRESHMEN MIGRATION*
1981

	Freshmen Attending College (anywhere)	Out-migrants	Percent Attending Out of State	In-migration (non-foreign)	Net Migration
United States	2,485,503	308,804	12.4	355,488	46,684
New Jersey	90,617	29,578	32.6	3,568	-26,015
New York	221,514	29,666	13.4	33,129	3,463
Pennsylvania	104,445	16,362	15.7	20,646	4,284

*All first-time freshmen, full-time and part-time.
**Migration figures include freshmen migrating between states only.

SOURCE: United States Department of Education, National Center for Education Statistics; New Jersey Department of Education, Office of Research and Manpower.

1.10.2 New Jersey's Colleges and Universities

The State institutions of higher education have undergone significant change since the 1960's. Where once the schools tended to specialize in certain areas of study, they now have become more diversified, offering many more programs.

New Jersey's public colleges have proliferated—particularly the community colleges. There are eighteen community colleges in the State with two-year programs and twelve four-year colleges, including Rutgers-The State University. In 1982 there were 321,387 students enrolled in the State's institutions of higher education; 86 percent were undergraduate students and the remaining 14 percent were graduate students. Public college enrollments totalled 256,099 or 79 percent of the total (Table 10.10).

New Jersey had twenty-six private colleges with 65,288 students enrolled in 1982. On the undergraduate level, the average annual rate of change in enrollment for 1970-1982 in the State's private colleges was -.8 percent for full-time students and -2.1 percent for part-time students. During the same time, the public

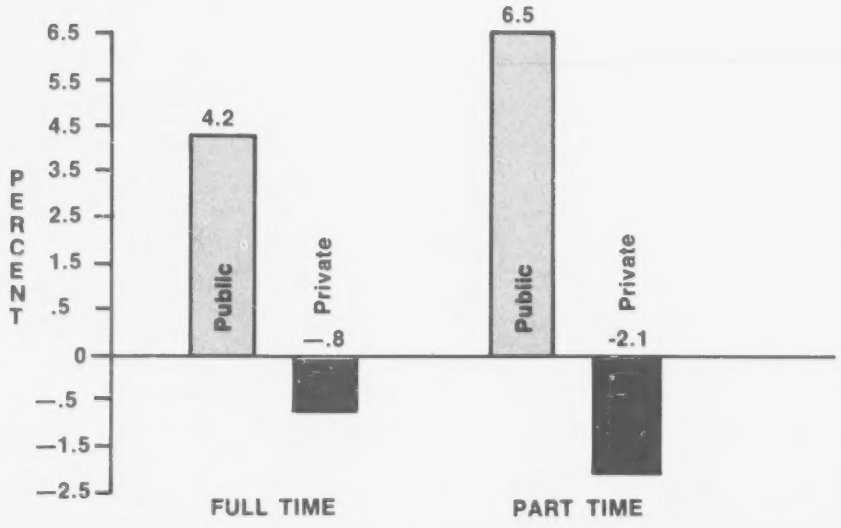
TABLE 10.10
NEW JERSEY COLLEGE ENROLLMENTS, FALL 1982

	Full-Time	Part-Time	Total
Undergraduate:			
Public	119,308	109,815	229,123
Private	33,264	13,301	46,565
Total	152,572	123,116	275,688
Graduate:			
Public	6,650	20,326	26,976
Private	6,094	12,629	18,723
Total	12,744	32,955	45,699
GRAND TOTAL	165,316	156,071	321,387

SOURCE: United States Department of Education, National Center for Education Statistics; New Jersey Department of Education, Office of Research and Manpower.

colleges had an average annual increase of 4.2 percent increase for full-time students and 6.5 percent increase for part-time students (Figure 10.8).

FIGURE 10.8
AVERAGE ANNUAL RATES OF CHANGE
UNDERGRADUATE ENROLLMENT IN NEW JERSEY
1970-1982



SOURCE: United States Department of Education, National Center for Education Statistics; New Jersey Department of Education, Office of Research and Manpower.

1.10.3 Graduate School Enrollment

New Jersey's graduate school enrollments increased from 1970-1982. Full-time enrollments in public schools have increased at an average annual rate of 2.6 percent, while private schools full-time enrollment increased at a rate of 3.3 percent (Figure 10.9). Part-time enrollments in public and private schools increased at an average annual rate of 1.0 and 3.9 percent, respectively.

1.10.4 Comparison of Enrollments

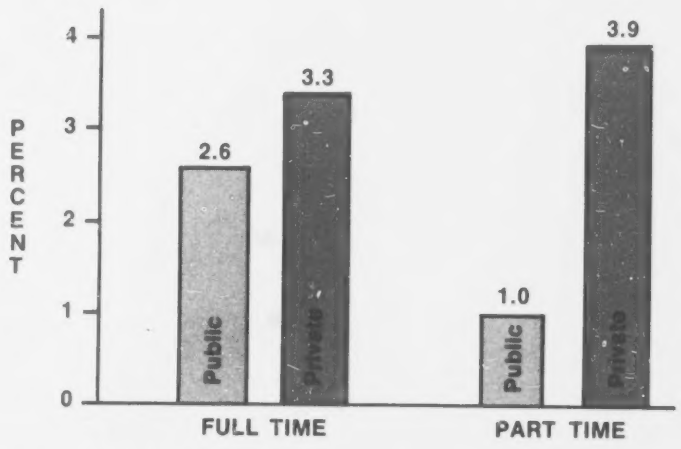
In 1980, 321,610 New Jerseyans were enrolled in institutions of higher education; of that total, 76.8 percent attended public colleges and universities. The United States as a whole had 12.1 million students enrolled in colleges, with 78.2 percent attending public schools (Table 10.11). The New England area had the lowest percentage of students attending public colleges, 51.0 percent.

In 1979, New Jersey's institutions of higher education awarded 34,538 degress. Almost 30 percent of the degrees were graduate and first professional (Table 10.12).

1.10.5 Higher Education Revenues

The majority of revenues for higher education in the State came from state and local sources. In 1979, New Jersey's public colleges received 55.4 percent of their total revenue from state and

FIGURE 10.9
AVERAGE ANNUAL RATES OF INCREASE, GRADUATE SCHOOL ENROLLMENT IN NEW JERSEY 1970-1982



SOURCE: United States Department of Education, National Center for Education Statistics; New Jersey Department of Education, Office of Research and Manpower.

TABLE 10.11
COLLEGE ENROLLMENT AND DISTRIBUTION, 1980

	Enrollment 1980 (000)	Percent Public	Percent Private
United States	12,096,895	78.2	21.8
New England	765,502	51.0	49.0
New York	992,237	56.8	43.2
New Jersey	321,610	76.8	23.2
Pennsylvania	507,716	57.6	42.4
South Atlantic	1,753,680	77.9	22.1

SOURCE: United States Department of Education, National Center for Education, *Digest of Education Statistics, 1982.*

TABLE 10.12
DEGREES EARNED IN NEW JERSEY, 1979

Bachelor's	24,431
First Professional	1,497
Master's	7,965
Doctor's	645
TOTAL	34,538

SOURCE: United States Department of Education, National Center for Education, Statistics, *Digest of Education Statistics, 1982.*

local sources; the national average was only 51.0 percent (Table 10.13). New Jersey's private colleges received 2.6 percent of total revenues from state and local sources, the same percentage as the United States as a whole.

TABLE 10.13
HIGHER EDUCATION REVENUE FROM STATE AND LOCAL SOURCES, 1979

	Public Colleges		Private Colleges	
	$000	% of All Revenues	$000	% of All Revenues
United States	17,650,154	51.0	459,742	2.6
New England	637,341	50.8	26,954	1.1
New Jersey	412,928	55.4	19,679	2.6
New York	1,336,517	46.6	182,846	8.5
Pennsylvania	532,625	35.9	67,522	5.2

SOURCE: United States Department of Education, Office of Education Research and Improvements, *Financial Statistics of Institutions of Higher Education, Fiscal Year 1979.*

2. CULTURE

Appreciation of the arts has long been a tradition in New Jersey. There is a variety of offerings to satisfy all tastes: dance, music, theatre, visual arts, literature and combined arts. The New Jersey Council on the Arts sponsors many of the different art forms throughout the State.

2.1 Fundings of the Arts

There are various ways for groups interested in cultural activities to raise money: public funding, private funding and state aid. New Jersey's support of the arts has increased substantially in the last three years, moving the State from twenty-sixth place among states to the top ten in support of the arts. In 1979, the public raised $1,458,740 for the arts in New Jersey; the figure increased to $3,039,000 in 1982. Of the many sponsors of various art forms in the State, about 25 percent applied for State support; more than 56 percent of these worked with budgets under $50,000. Private funding is another way to obtain money for the arts, but only a small number of firms among New Jersey's top 100 employers account for the bulk of private giving to the arts in the State.

2.2 Different Art Forms

The State has many fine theatre groups located throughout the State. The New Jersey Theatre Group is a service organization for non-profit professional theatres. It is the first statewide theatre coalition of its kind in the country. The New Jersey Theatre Group was established in 1978 by five theatres with the number increasing to eleven theatres by 1983. These theatres are: Crossroads Theatre Company (New Brunswick—founded 1978), Foundation Theatre (Pemberton—founded 1975), George Street Playhouse (New Brunswick—founded 1974), The Halfpenny Playhouse (Kearny—founded 1963), McCarter Theatre Company (Princeton—founded 1930), New Jersey Shakespeare Festival (Madison—founded 1963), Paper Mill Playhouse (Millburn—founded 1934), Pushcart Players (Verona—founded 1974), South Jersey Regional Theatre (Somers Point—founded 1977), Theatre of Universal Images (Newark—founded 1970), and the Whole Theatre Company (Montclair—founded 1971). Two of the eleven theatres (Pushcart Players and the Crossroads Theatre Company) go on tour in New Jersey.

New Jersey also has dance companies that tour the region. They perform modern dance as well as ballet. Ten percent of the total number of art companies in the State are dance companies.

Music lovers can find whatever type of music they enjoy without leaving the State. There are three symphony orchestras (in Newark, Plainfield and Trenton) as well as the New Jersey State Opera. The Newark Boys Chorus and the American Boychoir both tour throughout the area and our State University, Rutgers, has one of the finest choir groups in the nation.

Art museums are also very prevalent in New Jersey. The Newark Art Museum, the State Museum in Trenton, the Monmouth Art Museum and the Montclair Art Museum are all open to the State's residents and visitors, each offering a wide variety of collections and exhibits.

New Jersey is also blessed with the famous Garden State Arts Center, which features many famous performers and, of course, many famous stars perform in the Atlantic City casinos-hotels.

Even though New York and Philadelphia, the two most important cultural centers in the nation, are close by, the State's cultural offerings rank among the best in the nation. The New Jersey Council on the Arts has done much to get the State's art groups into the public's view, and many outstanding performers and artists have elevated the arts in the State to a high level of distinction.

SUMMARY

Educational attainment in New Jersey was somewhat higher than the all-state average in 1980. New Jersey's population 25 years and older numbered 67.87 percent high school graduate vs. the nation's 66.3 percent. In the same population group, 18.6 percent had finished four years or more of college compared to the national average of 16.3 percent. The State's levels were about the same or better than those of neighboring states. Nevertheless, attainment levels fell behind New England which had 70.7 percent high school graduates and 19.3 percent with four or more years of college.

As is generally the case in the Northeastern part of the country, New Jersey had a larger percentage (15.8%) of its elementary and secondary students in private schools than did the nation overall (10.9%). But in the State, as in the nation, the percentage in private schools dropped between 1970 and 1980 (New Jersey from 17.7% to 15.8%; United States from 11.3% to 10.9%).

Pupil/Teacher ratios in public elementary schools fell considerably in both the State and the nation from 1970 to 1980. In 1970 the State and national ratios were 21.7 and 22.8, respectively. In 1980 the respective ratios had fallen to 16.3 and 18.9. New Jersey's ratio of 16.3 was also lower than those of neighboring states as well as New England.

Between 1970 and 1982 enrollments dropped and average .8 percent per year in the State's full-time private colleges. At the same time, public college enrollments increased 4.2 percent per annum for full-time students, easily surpassing the private-school enrollment loss.

A total of 34,538 college degrees were awarded in 1979. Of these, 24,431 were bachelor's degrees; the remainder were advanced degrees.

New Jersey has many cultural attractions: art, music, theater, dance, and combined arts. Although New York and Philadelphia cultural offerings are near at hand, one need not leave the State to appreciate some of the finest cultural attractions in the nation.

XI. GOVERNMENT

New Jersey state and local governments were staffed by 370,000 full-time equivalent employees in 1980. Government employment registered a 4.0 percent annual increase between 1960 and 1980 (Table 11.1). Education has the largest share of government employment (47% in 1980), and has been the fastest growing government function since 1960, exhibiting a growth rate of 4.5 percent per annum. The slowest growth was registered for the police and fire sector (2.9%) and its share dropped to 9.8 percent in 1980 from 11.9 percent in 1960. (Figure 11.1).

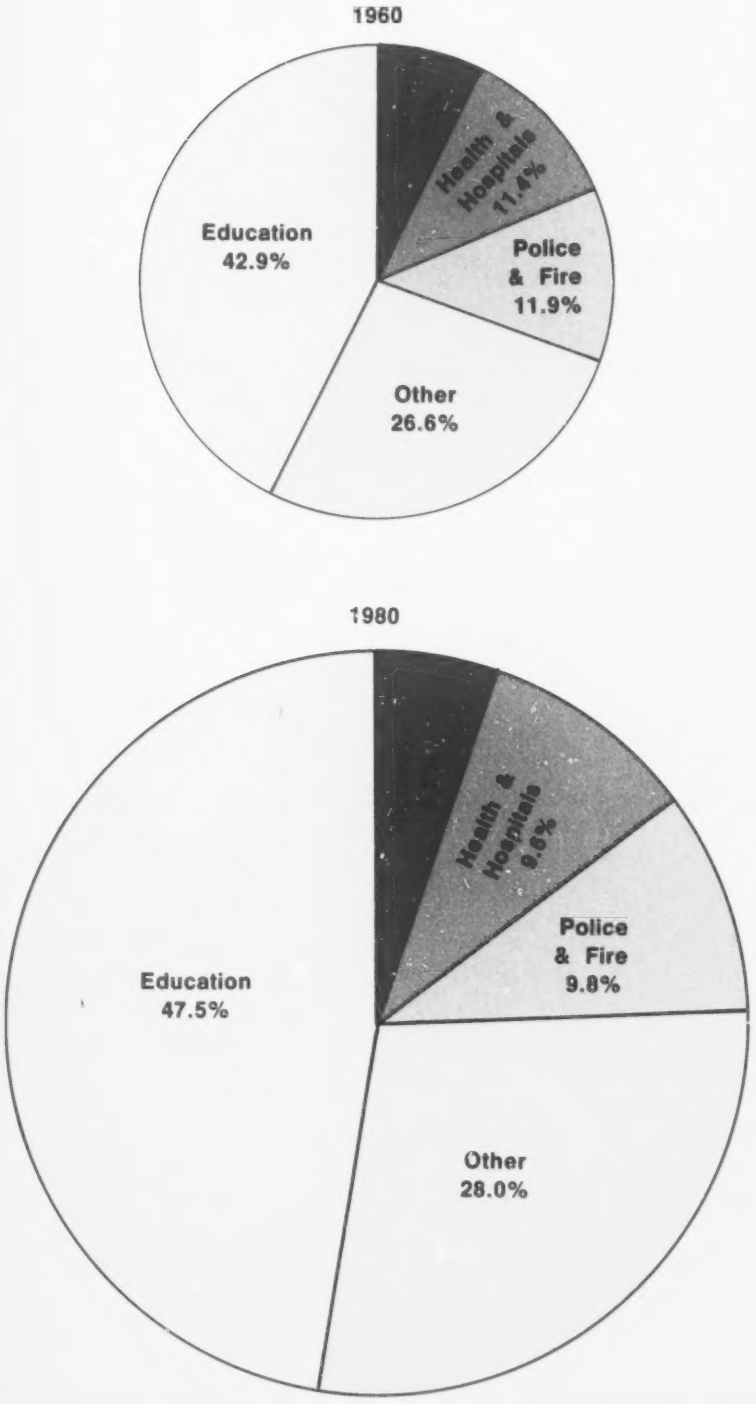
TABLE 11.1
NEW JERSEY STATE AND LOCAL GOVERNMENT EMPLOYMENT BY FUNCTION
1960-1980

	Full-Time Equivalent (000)			Average Annual Change 1960-1980
	1960	1970	1980	(%)
Education	72.9	129.7	175.6	4.5
Health & Hospital	19.3	23.9	35.5	3.1
Highways	12.1	16.7	19.2	2.3
Police & Local Fire	20.3	27.6	36.1	2.9
Public Welfare	—	7.3	14.4	—
Other	45.3	62.6	89.2	3.4
TOTAL	170.0	267.8	370.0	4.0

SOURCE: United States Department of Commerce, Bureau of the Census, *United States Statistical Abstract of the United States, 1982-83.*

A comparsion of government sectors of New Jersey and the United States average as well as neighboring states show some interesting facts. In 1970, New Jersey's government was relatively small as compared to the United States average, with 37.4 state and local full-time equivalent employees per 1,000 population, while the respective figure for state and local government in the United States was 41.9. By 1981, state and local government employment in New Jersey increased to 49.0 per 1,000 of population exceeding that of the United States which in 1981 had 47.6 employees. New Jersey's government employment is still relatively low compared to New York's 54.3 per 1,000 of population, but close to the South Atlantic's 49.9. New Jersey's government employment per 1,000 population is, however, above that of Pennsylvania (39.7) and New England (45.9) (Figure 11.2).

FIGURE 11.1
NEW JERSEY STATE AND LOCAL GOVERNMENT EMPLOYMENT
TOTAL AND BY FUNCTION, 1960-1980



SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

FIGURE 11.2
FULL-TIME EQUIVALENT STATE AND LOCAL GOVERNMENT EMPLOYMENT
1970 and 1981
(Employment per 1,000 Population)

SOURCE: United States Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1982-83.*

In 1981 there were 1,618 local governments in New Jersey. These included 567 municipalities, 21 counties and 587 school districts, along with a few other types (Table 11.2).

TABLE 11.2
NEW JERSEY LOCAL GOVERNMENTS, 1981

All Types	1,618
Municipalities	567
Boroughs	250
Townships	246
Cities	52
Towns	16
Villages	3
Counties	21
Authorities	210
School Districts	587
Special Districts*	233

*Counting those that actively levy and collect taxes.

SOURCE: New Jersey Department of Community Affairs, Division of Local Government Services, *44th Annual Report of the Division of Local Government Services.*

1. STATE AND LOCAL GOVERNMENT FINANCE

Since the distribution of services provided by each level of government differs from state to state, combined state and local general direct expenditures provide a convenient basis for making interstate comparisons. Such aggregate spending by all New Jersey governments exceeded $14 billion in 1982. Total spending figures are, however, not comparable with other states because of differences in the size (population, income, etc.) of states. Per capita expenditures, and expenditures related to income provide more consistent bases for such comparison.

1.1 Per Capita Spending

Combined direct general expenditures per person ($1,970) in New Jersey ranked 16th among all states and exceeded the United States average spending ($1,913). New Jersey spending per capita also exceeded that of Pennsylvania, New England and South Atlantic, but was below that of New York (Table 11.3).

TABLE 11.3
PER CAPITA STATE AND LOCAL GOVERNMENT DIRECT GENERAL EXPENDITURES
Regions and States
Fiscal Year 1982

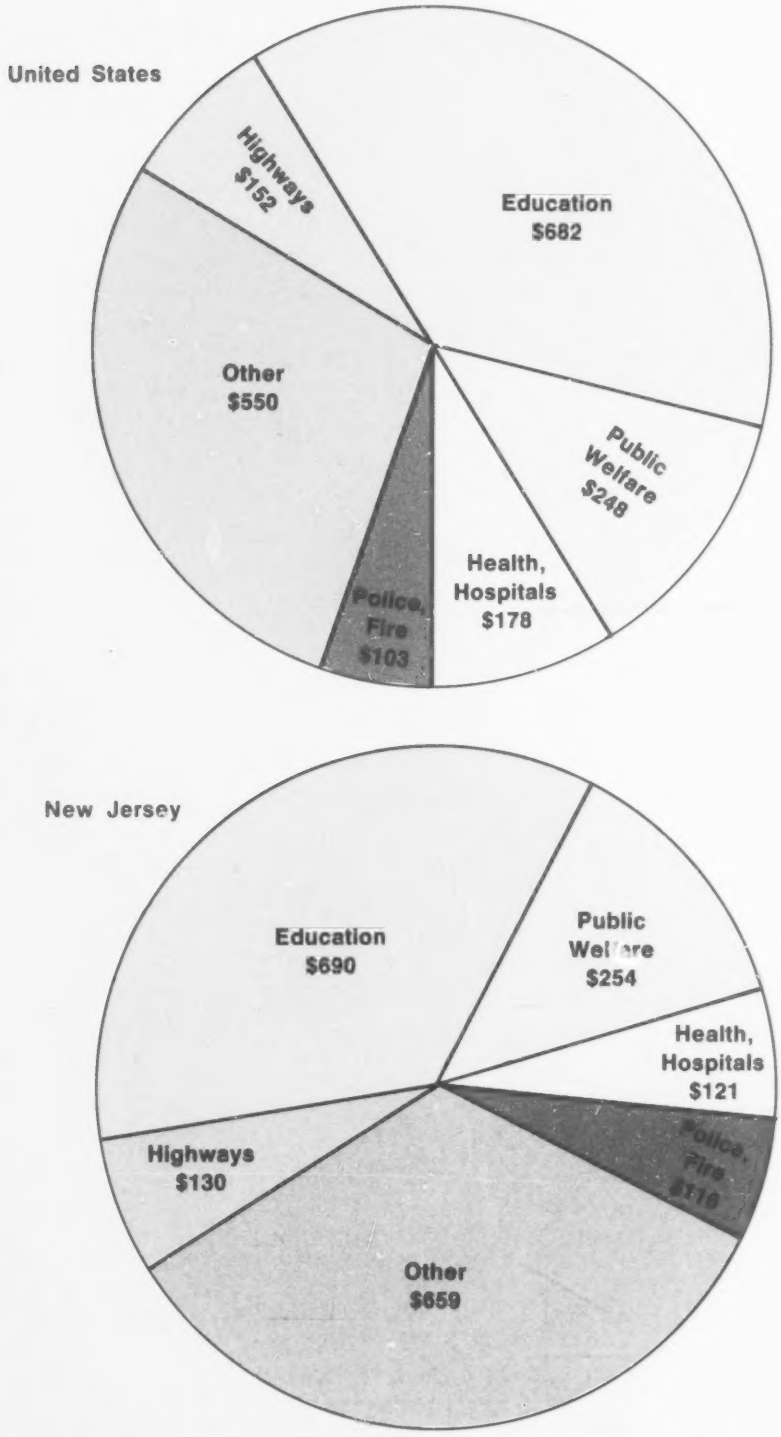
	Total	Education	Highways	Public Welfare	Health & Hospitals	Police & Fire	Financial Adminis.	Other
United States	1913	682	152	248	178	103	35	515
New York	2640	765	145	450	265	144	38	833
New Jersey	1970	690	130	254	121	116	33	626
Pennsylvania	1678	586	135	288	116	75	29	469
South Atlantic	1708	624	149	155	168	92	31	489

SOURCE: United States Department of Commerce, Bureau of the Census, *Government Finances in 1981-82.*

Compared to United States averages, New Jersey governments are found to spend less per capita on highways ($130 vs. $152); on health and hospitals ($121 vs. $178) (Figure 11.3). Per capita spending by New Jersey governments was about equal to the national average for education, public welfare and financial administration. New Jersey spending was higher for police and fire ($116 vs. $103) and other functions ($626 vs. $515) (Figure 11.3).

New Jersey governments spent considerably less per capita than New York in all its functions. compared to Pennsylvania, New Jersey spent considerably more in total and for education, police and fire protection and other functions.

FIGURE 11.3
PER CAPITA EXPENDITURES BY STATE AND LOCAL GOVERNMENT IN F.Y. 1982, U.S. and N.J.



SOURCE: Tax Foundation Inc., *Facts and Figures in Government Finance*, 1983.

In comparison with selected regions, New Jersey per capita expenditures on education, police and fire, and general administration are higher than those in New England and in the South Atlantic region. On the other hand, New Jersey's per capita expenditures on highways and health and hospitals are lower than expenditures in those regions.

1.2 Spending Related to Income

Government spending per capita provides a basis for interstate comparison. However, it does not incorporate ability to pay. A prevailing share of state and local spending is supported by tax revenues (the remainder is financed by charges, earnings, and to some extent, through intergovernmental transfer).

State and local taxes in 1982 were 11.1 percent of personal income in New Jersey—the same percentage as the average of all states. The level of New Jersey state and local taxes as a percentage of personal income were, however, higher than for Pennsylvania and for the South Atlantic region, but lower than for New York and New England (Table 11.4).

TABLE 11.4
STATE AND LOCAL TAXES
Regions and States
Fiscal Year 1982

	Per Capita ($)			Percentage of Personal Income		
	Total	State	Local	Total	State	Local
United States	1175	712	463	11.1	6.7	4.4
New England	1264	746	518	11.3	6.7	4.6
New York	1790	879	911	15.6	7.7	7.9
New Jersey	1353	757	596	11.1	6.2	4.9
Pennsylvania	1116	690	426	10.8	6.7	4.1
South Atlantic	1026	642	384	10.1	6.3	3.8

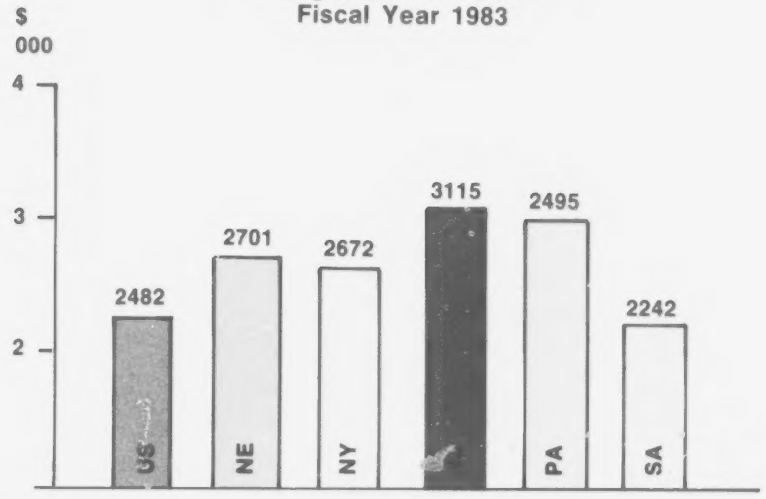
SOURCE: United States Department of Commerce, Bureau of the Census, *Government Finance in 1981-82.*

1.3 Federal Taxes

Taxes paid to the federal government overshadowed the state and local tax burden. In fiscal year 1983, the per capita federal tax burden in New Jersey was $3,115, while the respective nationwide figure was $2,482 (Figure 11.4 and Table 11.5).

On a per capita basis, New Jersey's federal tax burden was also higher than in Pennsylvania and New York. The federal tax burden as a percentage of personal income was 23.2 percent, while nationwide the figure was 21.9 percent (Table 11.5).

FIGURE 11.4
PER CAPITA FEDERAL TAXES
Regions and States
Fiscal Year 1983



SOURCE: Tax Foundation, *Facts and Figures on Government Finance,* 1983.

TABLE 11.5
FEDERAL TAX BURDEN
Regions and States
Fiscal Year 1983

	Per Capita ($)	Percentage of Personal Income
United States	$2,482	21.9
New England	2,701	22.1
New York	2,672	21.0
New Jersey	3,115	23.2
Pennsylvania	2,495	22.3
South Atlantic	2,242	21.2

SOURCE: Tax Foundation, Inc., *Facts and Figures on Government Finance, 1981;* Chase Econometrics, *Regional Forecasts State & Metropolitan Areas,* Fourth Quarter, 1983.

STATE FISCAL AFFAIRS

State total expenditures by a particular function includes both direct expenditures by state government and payments to local governments for that function (Table 11.6).

TABLE 11.6
TOTAL STATE EXPENDITURES INCLUDING PAYMENTS TO OTHER GOVERNMENTS BY FUNCTION
New Jersey and United States
Fiscal Year 1981

	New Jersey ($ million)	Per Capita Expenditures	
		New Jersey	United States
Total	$10,280.0	$1,393.5	$1,283.4
Education	2,523.6	342.1	426.7
Highways	429.7	58.2	112.0
Public Welfare	1,698.7	230.3	226.6
Health & Hospitals	702.3	95.2	90.7
Natural Resources	160.0	21.7	22.0
Financial Administration	215.2	29.2	30.3
Insurance Trust*	1,497.9	203.0	141.8
Liquor Stores	—	—	10.1
Other**	3,052.6	413.8	223.1

*Comprised of payments to beneficiaries of employee retirement, unemployment compensation and disability benefit social insurance programs.

**Principally police protection, correction, interest, employment security administration, utilities and intergovernmental payments to local governments not elsewhere classified.

SOURCE: Tax Foundation Inc., *Facts & Figures on Government Finance,* 1983.

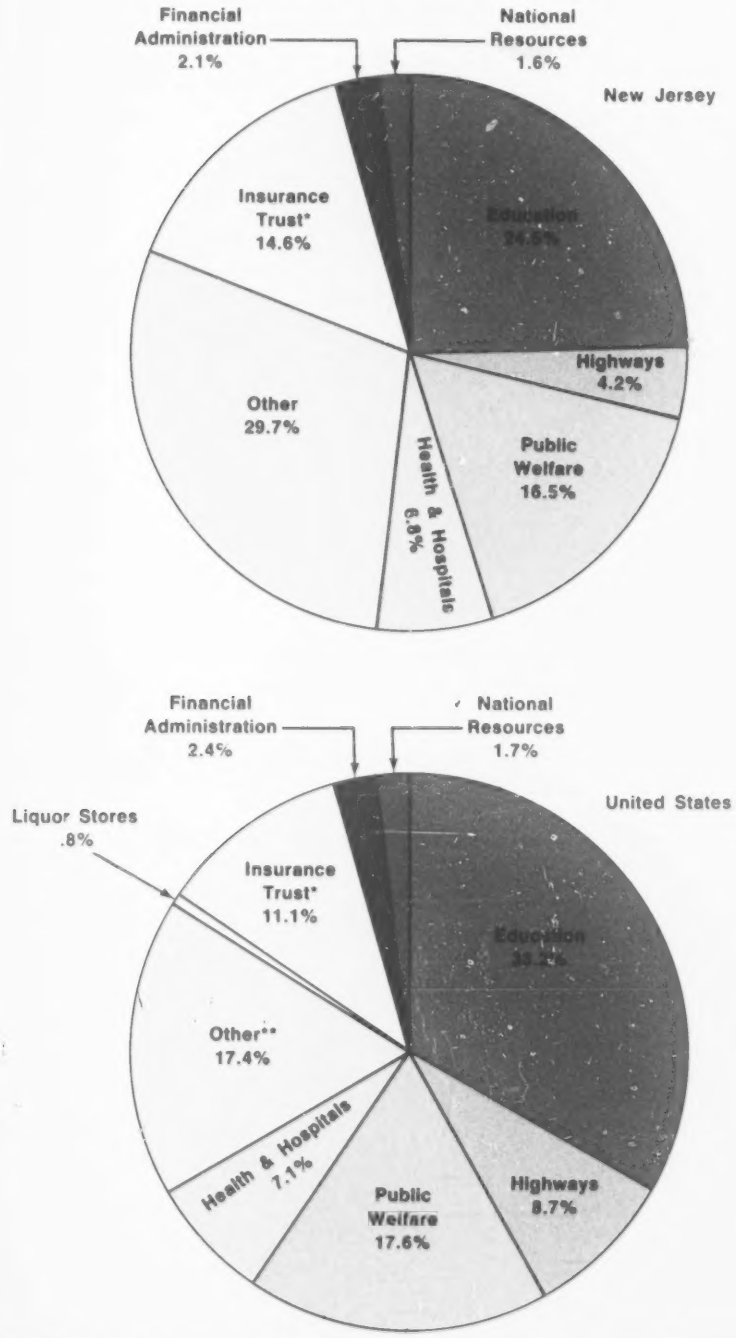
The principal areas of State spending are illustrated in Table 11.6. Secondary and higher education received the largest share (25.55%) of State outlays as compared to other single functions. This is followed by welfare payments (16.5%). New Jersey state government expenditures on education were below that of the national average on a per capita basis and as a percentage of total expenditures. New Jersey government total per capita expenditures in 1981 were slightly above the national average ($1,393 vs. $1,283). (For the composition of State expenditures see Figure 11.5.)

The sources of State revenues for fiscal year 1982 are illustrated in Table 11.7. Tax revenues amounted to $5.5 billion, or almost one-half of State revenues.

State taxes are supplemented by non-tax revenues from own sources such as fees and payments to the insurance trust. About 19 percent of state revenues came from the federal government; while, nationally, states are deriving about 21 percent of their total revenues from that source.

Sales, personal income and corporation business taxes are the State's three largest tax revenue producers yielding about $3.4 billion in fiscal year 1982. Revenues from these and other state taxes in fiscal year 1982 are listed in Table 11.8.

FIGURE 11.5
STATE EXPENDITURES INCLUDING PAYMENTS TO OTHER GOVERNMENTS
New Jersey and United States
Fiscal Year 1981



SOURCE: Tax Foundation Inc., *Facts and Figures on Government Finance,* 1983.

*Comprises payments to beneficiaries of employees retirement, unemployment compensation, workmen's compensation and disability benefits social insurance programs.

**Principally police protection, correction, interest, employment security administration, utilities and intergovernmental payments to local governments not elsewhere classified.

TABLE 11.7
STATE REVENUE BY SOURCES
New Jersey and United States
Fiscal Year 1982

	New Jersey Total ($ million)	Percent Distribution	
		New Jersey	United States
Total	$11,341	100.0	100.0
From Own Sources	9,203	81.1	79.1
Taxes	5,577	49.2	49.2
Fees & Miscellaneous	1,538	13.6	13.1
Insurance Trust	1,960	17.3	15.3
Liquor Stores	—	—	.9
Utilities	127	1.1	.6
Intergovernmental	2,138	18.9	20.9
From Federal	2,033	17.9	20.0
From Local	105	.9	.9

SOURCE: United States Department of Commerce, Bureau of the Census, *Governmental Finance, 1981-82.*

TABLE 11.8
MAJOR NEW JERSEY TAX REVENUES
Fiscal Year 1982

Tax	Yield ($ million)
Sales	$1,305
Personal Income	1,259
Corporate Business	838
Motor Fuels*	280
Motor Vehicle Fees	266
Cigarette	177
Transfer Inheritance	127
Insurance Premiums	108
Business Personal Property	58
Public Utility	95
Alcoholic Beverage	59
Pari-mutuel	14
Casino Gross Revenue	129
Realty Transfer	17
Banks & Financial Institutions;	
Corporate Business	31
Motor Fuel Use**	7
Savings Institutions	1

*Tax paid at pump.
**Tax on truckers for road use (mileage).

SOURCE: New Jersey Department of the Treasury. Division of Budget & Accounting.

3. LOCAL FISCAL AFFAIRS

New Jersey's local government revenues in fiscal year 1982 were $9.7 billion. Only 60 percent of that total was raised through local effort, while 35 percent was transfer payments from the State, and the remainder, about 5 percent, was grants-in-aid from the federal government (Table 11.9).

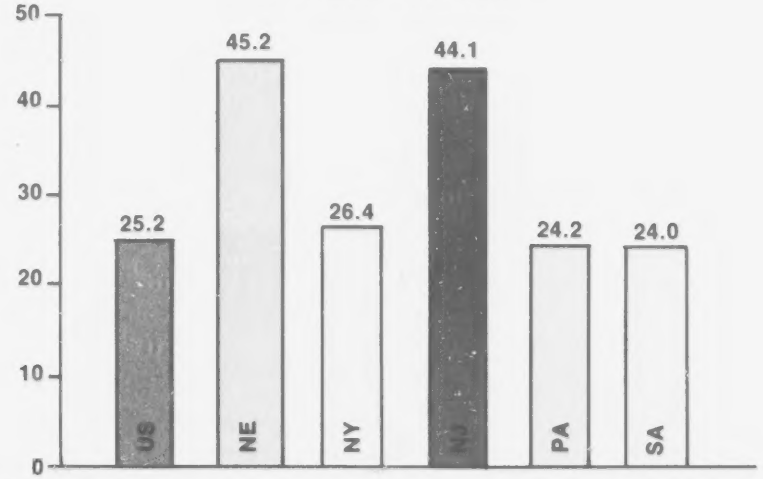
TABLE 11.9
LOCAL GOVERNMENT REVENUES, BY SOURCE
Fiscal Year 1982
Regions and States

	Total ($ million)	Percentage Distribution: Own Sources	From State	From Federal
United States	$313,131	62.9	30.4	6.7
New England	13,806	66.0	24.8	9.2
New York	38,084	58.5	37.1	4.4
New Jersey	9,734	60.2	35.1	4.7
Pennsylvania	13,850	64.0	28.4	7.6
South Atlantic	45,342	62.8	27.1	10.1

SOURCE: Tax Foundation, *Facts and Figures on Government Finance,* 1983.

A large part of local own source revenues came from property taxes, which are almost absent in State finances. About 44 percent of New Jersey's local government revenues in 1982 were derived from property taxes (Figure 11.6).

FIGURE 11.6
PROPERTY TAX AS A PERCENT OF LOCAL REVENUES
Regions and States
Fiscal Year 1982



SOURCE: Tax Foundation, *Facts and Figures on Government Finance,* 1983.

In comparison, property tax receipts are only around 25 percent of local revenues in New York, Pennsylvania and nationally. Excessive reliance on own-sources and specifically on property tax (in New Jersey) has fostered many fiscal problems since the distribution of real estate wealth differs dramatically between local jurisdictions. This prompted remedial legislation in 1975 to equalize financial conditions among school districts.

SUMMARY

Government employment in New Jersey grew from 170 thousand to 370 thousand between 1970 and 1980, an average annual growth rate of four percent. In 1981, per 1,000 population, New Jersey's government employment was slightly higher than the United States (49.1 in New Jersey vs. 47.6 in the United States) but less than New York (54.3) and the South Atlantic region (49.9).

State and local governments in New Jersey spent less per capita than the United States average on highways ($132 vs. $152 per capita) and on health and hospitals ($121 vs. $178), about the same on education, public welfare and financial administration, but more for police and fire and other functions.

In 1982 per capita taxes were higher in New Jersey than the all-state average ($1,353 vs. $1,175). As a percentage of personal income, however, New Jersey was on a par with the United States (11.5% for both).

New Jersey paid more federal taxes per capita than the United States average and, with its higher incomes, New Jersey paid a higher rate of tax as a percentage of personal income (23.2% New Jersey; 21.9% United States).